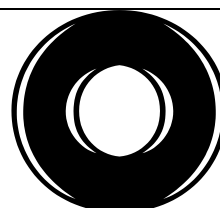


OFFERING MEMORANDUM FOR THE ISSUE OF DEBT  
INSTRUMENTS

**MACQUARIE GROUP LIMITED**

(ABN 94 122 169 279)

(incorporated with limited liability in the Commonwealth of Australia)



MACQUARIE

**U.S.\$10,000,000,000**  
(or equivalent in other currencies)

**Debt Instrument Programme**

**ISSUER**

Macquarie Group Limited

**DEALERS**

Australia and New Zealand Banking Group Limited

BofA Merrill Lynch

Barclays

Citigroup

Commonwealth Bank of Australia

Credit Suisse

Deutsche Bank

HSBC

ING

J.P. Morgan

Macquarie Bank International Limited

Macquarie Bank Limited

National Australia Bank Limited

SMBC Nikko

Standard Chartered Bank

The Royal Bank of Scotland

Westpac Banking Corporation

**ISSUING & PAYING AGENT**

Deutsche Bank AG, London Branch

**CMU LODGING AGENT**

Deutsche Bank AG, Hong Kong Branch

The date of this Offering Memorandum is 21 June 2013

# Introduction

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Pages 1 to 146 inclusive of this Offering Memorandum comprise a base prospectus of Macquarie Group Limited (ABN 94 122 169 279) (“**Issuer**” or “**MGL**”) (the “**Base Prospectus**”) for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) in respect of unsecured, unsubordinated or subordinated debt instruments to be admitted to the Official List of the UK Listing Authority (as defined below) and to be admitted to trading on the London Stock Exchange’s regulated market (“**PD Debt Instruments**”).

Pages 147 to 211 inclusive of this Offering Memorandum comprise an offering circular (the “**Offering Circular**”) and has been prepared by MGL in connection with the issuance of unsecured, unsubordinated or subordinated debt instruments other than PD Debt Instruments (“**Non-PD Debt Instruments**”) and, together with the PD Debt Instruments, the “**Debt Instruments**”). The Offering Circular has not been reviewed or approved by the UK Listing Authority and does not constitute a prospectus for the purposes of the Prospectus Directive.

MGL may, from time to time, offer PD Debt Instruments to qualified investors or, subject as provided in the Base Prospectus, to retail investors in one or more of the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands, and offer Non-PD Debt Instruments in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus, under the Debt Instrument Programme described in this Offering Memorandum (“**Programme**”).

The aggregate principal amount of Debt Instruments outstanding will not at any time exceed the Programme Limit (or the equivalent in other currencies at the date of issue).

The Issuer has previously published, and may in the future publish, other prospectuses or offering documents in relation to the issue of other classes of debt obligations under the Programme. This Offering Memorandum supersedes and replaces in its entirety MGL’s Base Prospectus for the Programme dated 14 June 2012 (as supplemented). Any issue of Debt Instruments will be made pursuant to such documentation as MGL may determine.

# Contents

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Introduction	i
Contents	ii
BASE PROSPECTUS – APPLICABLE TO PD DEBT INSTRUMENTS	1
Representations and Warranties of Investors	10
Summary of the Programme	11
Risk Factors	24
General Description of the Programme	38
Documents incorporated by reference	44
Terms and Conditions	46
Form of PD Debt Instruments	79
Form of Retail Final Terms	84
Form of Wholesale Final Terms	95
Macquarie Group Limited	105
Selected Financial Information	119
Subscription and Sale	122
Taxation	132
Use of Proceeds	140
General Information	141
Directory	144
OFFERING CIRCULAR – APPLICABLE TO NON-PD DEBT INSTRUMENTS	147

# BASE PROSPECTUS – APPLICABLE TO PD DEBT INSTRUMENTS

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## IMPORTANT NOTICES

This Base Prospectus has not been, nor will be, lodged with the Australian Securities and Investments Commission (“ASIC”) and is not a ‘prospectus’ or other ‘disclosure document’ for the purposes of the Corporations Act 2001 of Australia (the “Corporations Act”).

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and is provided for the purpose of giving information with regard to the Issuer and its subsidiaries, which, according to the particular nature of the Issuer and the PD Debt Instruments, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer is not an authorised deposit-taking institution (“ADI”) for the purposes of the Banking Act 1959 of Australia (“**Banking Act**”), and its obligations do not represent deposits, protected accounts or other liabilities of its subsidiary, Macquarie Bank Limited (ABN 46 008 583 542) (“**MBL**” or “**Macquarie Bank**”). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MGL. In this Base Prospectus references to the “**Macquarie Group**” are references to MGL and its controlled entities and references to the “**Banking Group**” are references to Macquarie Bank and its controlled entities.

The PD Debt Instruments have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**Securities Act**”) and will be issued in bearer or registered form. The PD Debt Instruments are being offered outside the United States by the Dealers in accordance with Regulation S under the Securities Act, and may not be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

PD Debt Instruments in bearer form are subject to U.S. tax law requirements and, pursuant to the terms of the Programme, may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by the U.S. Internal Revenue Code of 1986, as amended (“**U.S. Internal Revenue Code**”) and U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and U.S. tax regulations.

The Financial Conduct Authority (“**FCA**”), in its capacity as competent authority under the Financial Services and Markets Act 2000 (UK), as amended (“**FSMA**”) (“**UK Listing Authority**”) for the purposes of the Prospectus Directive, has approved this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and the relevant implementing measures in the United Kingdom. Application has also been made for PD Debt Instruments issued under the Programme during the twelve month period from the date of this Base Prospectus to be admitted to the Official List of the UK Listing Authority (“**Official List**”) and to the London Stock Exchange Plc (“**London Stock Exchange**”) for such PD Debt Instruments to be admitted to trading on the London Stock Exchange’s Regulated Market (“**Market**”). References in this Base Prospectus to PD Debt Instruments being “listed” (and all related references) shall mean that such PD Debt Instruments have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (“**Markets in Financial Instruments Directive**”).

MGL may, on or after the date of this Base Prospectus, make applications for one or more further

certificates of approval under Article 18 of the Prospectus Directive as implemented in the United Kingdom to be issued by the FCA to the competent authority in any one of the following Member States: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands.

### **Wholesale Base Prospectus**

All sections of the Base Prospectus will comprise a base prospectus issued in compliance with the Prospectus Directive for the purpose of giving information with regard to the issue of any PD Debt Instruments issued by the Issuer which have a denomination of at least €100,000 (or its equivalent in another currency) and which are to be admitted to the Official List of the FCA and admitted to trading on the Market, during the period of 12 months after the date hereof (the “**Wholesale Base Prospectus**”), other than:

- (a) in this section entitled "Important Notices" on pages 1 to 9:
  - (i) the information under the heading "Important Information relating to Public Offers of PD Debt Instruments" on pages 3 to 5;
  - (ii) the information under the heading "Arrangements between Investors and Authorised Offerors" on pages 5 to 6; and
  - (iii) the information under the heading "Public Offers: Issue Price and Offer Price" on page 5;
- (b) the section entitled “Summary of the Programme” on pages 11 to 23; and
- (c) the section entitled “Form of Retail Final Terms” on pages 84 to 94 (and all references in the Wholesale Base Prospectus to “Final Terms” shall be deemed to be to a Final Terms in the form set out in the section entitled “Form of Wholesale Final Terms” on pages 95 to 104).

### **Retail Base Prospectus**

All sections of the Base Prospectus will comprise a base prospectus issued in compliance with the Prospectus Directive for the purpose of giving information with regard to the issue of any PD Debt Instruments issued by the Issuer which have a denomination of less than €100,000 (or its equivalent in another currency) and which are (i) to be admitted to the Official List of the FCA and admitted to trading on the Market and/or (ii) offered to the public in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden or The Netherlands under the Programme during the period of 12 months after the date hereof (the “**Retail Base Prospectus**”), other than the section entitled “Form of Wholesale Final Terms” on pages 95 to 104 (and references in the Retail Base Prospectus to “Final Terms” shall be deemed to be to a Final Terms in the form set out in the section entitled “Form of Retail Final Terms” on pages 84 to 94).

### **Credit ratings**

There are references in this Base Prospectus to credit ratings. A credit rating is not a recommendation to buy, sell or hold any PD Debt Instruments and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

The credit ratings of MGL referred to in this Base Prospectus have been issued by Standard & Poor's (Australia) Pty Ltd, Moody's Investors Service Pty Limited and Fitch Australia Pty Ltd, none of which is established in the European Union or has applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, their credit ratings are endorsed by Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Services Limited and Fitch Ratings Limited, respectively pursuant to and in accordance with the CRA Regulation. Each of

Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Services Limited and Fitch Ratings Limited is established in the European Union and registered under the CRA Regulation and, as such, is included in the list of the credit rating agencies published by the European Securities and Markets Authority on its website ("**ESMA**"). On 22 December 2011, ESMA published in a press release its decision to endorse Australia's regulatory regime on credit ratings pursuant to Article 4(3) of the CRA Regulation.

The rating of certain Series of PD Debt Instruments to be issued under the Programme may be specified in the Final Terms.

## **IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF PD DEBT INSTRUMENTS**

### **Restrictions on Public offers of PD Debt Instruments in Relevant Member States.**

This Base Prospectus has been prepared on a basis that it permits a public offer of PD Debt Instruments ("**Public Offer**"). However, any person making or intending to make a Public Offer of PD Debt Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that MGL has consented to the use by the Offeror of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" below and the conditions attached to that consent are complied with by the person making the Public Offer of such PD Debt Instruments.

Save as provided above, neither MGL nor any Dealer has authorised, nor do they authorise, the making of any Public Offer of PD Debt Instruments in circumstances in which an obligation arises for MGL or any Dealer to publish or supplement a Base Prospectus for such offer.

### **Consent given in accordance with Article 3.2 of the Prospectus Directive**

In the context of a Public Offer of PD Debt Instruments, MGL accepts responsibility in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands for the content of this Base Prospectus under section 90 of the FSMA in relation to any person (an "**Investor**") in those jurisdictions who purchases any PD Debt Instruments in a Public Offer made by any financial intermediary to whom MGL has given consent to the use of this Base Prospectus (an "**Authorised Offeror**") in connection with the subsequent resale or final placement of those PD Debt Instruments, provided that the conditions attached to that consent are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under "Consent" and "Common Conditions to Consent" below.

Neither MGL nor any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and neither MGL nor any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except for the circumstances set out in the following paragraphs, neither MGL nor any Dealer has authorised the making of any Public Offer by any offeror and MGL has not consented to the use of this Base Prospectus by any other person in connection with any Public Offer of PD Debt Instruments. Any Public Offer made without the consent of MGL is unauthorised and neither MGL nor any Dealer accepts any responsibility or liability for the actions of any person making such an unauthorised offer.

If, in the context of a Public Offer, an Investor is offered PD Debt Instruments by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible

for this Base Prospectus as required by United Kingdom securities laws and regulations in the context of the relevant Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus, and/or who is responsible for its contents, it should take legal advice.

## Consent

In connection with each Tranche of PD Debt Instruments and subject to the conditions set out below under “Common Conditions to Consent”:

- (a) MGL consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such PD Debt Instruments during the relevant Offer Period stated in the relevant Final Terms by the relevant Dealer and by:
  - (i) any financial intermediary named as an initial Authorised Offeror in the relevant Final Terms; and
  - (ii) any financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the internet site [www.macquarie.com.au](http://www.macquarie.com.au) and identified as an Authorised Offeror in respect of the relevant Public Offer;
- (b) if (and only if) so specified in Section A.2 of the Issue Specific Summary attached to the relevant Final Terms, MGL hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of PD Debt Instruments during the relevant Offer Period stated in the relevant Final Terms by any financial intermediary which satisfies the following conditions:
  - (i) it is an authorised person and therefore authorised to make such offers under the FSMA or other applicable legislation implementing the Markets in Financial Instruments Directive (in which regard, Investors should consult the register maintained by the FCA at: [www.fca.org.uk/register](http://www.fca.org.uk/register)); and
  - (ii) it accepts the relevant Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

*“We, [insert legal name of financial intermediary], refer to the [insert title of relevant PD Debt Instruments] (the “PD Debt Instruments”) described in the Final Terms dated [insert date] (the “Final Terms”) published by Macquarie Group Limited (the “Issuer”). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the PD Debt Instruments in accordance with the [Authorised Offeror Terms] and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly.”.*

The “Authorised Offer Terms” are the terms agreed between MGL and the Authorised Offeror.

## Common Conditions to Consent

The conditions to the Issuer’s consent to the use of this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (b) above if Part B of the relevant Final Terms specifies “General Consent” as “Applicable”) that such consent:

- (a) is only valid during the Offer Period specified in the relevant Final Terms;
- (b) only extends to the use of this Base Prospectus to make a Public Offer of the relevant Tranche

of PD Debt Instruments in the United Kingdom or Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands, as specified in the applicable Final Terms; and

- (c) is subject to any other conditions set out in Section A.2 of the Issue Specific Summary attached to the Final Terms.

The only Relevant Member States which may, in respect of any Tranche of PD Debt Instruments, be specified in the relevant Final Terms (if any Relevant Member States are so specified) as indicated in (b) above will be the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands and accordingly each Tranche of PD Debt Instruments may only be offered to Investors as part of a Public Offer in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands, as specified in the relevant Final Terms, or otherwise in circumstances in which no obligation arises for MGL or any Dealer to publish or supplement a prospectus for such offer.

Any Authorised Offeror using this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using the Base Prospectus for such Public Offer in accordance with the consent of MGL and the conditions attached thereto.

## **ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS**

Investors who intend to purchase any PD Debt Instruments in a Public Offer from an Authorised Offeror will be provided with information on the terms and conditions of the Public Offer by the Authorised Offeror at the time of such offer.

Offers and sales of such PD Debt Instruments to Investors by an Authorised Offeror will be made, in accordance with additional arrangements in place between such Authorised Offeror and each such Investor, including arrangements in relation to price, allocations, expenses and settlement ("**Authorised Offeror Information**"). MGL will not be a party to any such arrangements between the Authorised Offeror and such Investors and, accordingly, this Base Prospectus and any Final Terms do not and will not contain Authorised Offeror Information.

### **Public Offers: Issue Price and Offer Price**

PD Debt Instruments to be offered pursuant to a Public Offer will be issued by MGL at the Issue Price specified in the relevant Final Terms. The Issue Price will be determined by MGL in consultation with the relevant Dealer at the time of the relevant Public Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price of such PD Debt Instruments will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the PD Debt Instruments to such Investor. MGL will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the PD Debt Instruments to such Investor.

### **Available information**

The Final Terms for each Tranche of PD Debt Instruments to be listed on the London Stock Exchange will be published on the London Stock Exchange's internet site [www.londonstockexchange.com/home/homepage.htm](http://www.londonstockexchange.com/home/homepage.htm).

### **Responsibility**

MGL accepts responsibility for the information contained in this Base Prospectus and the Final Terms of each Tranche of PD Debt Instruments issued under the Programme. To the best of MGL's



knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus contains no omission likely to affect its import.

### **Documents incorporated by reference**

This Base Prospectus is to be read in conjunction with the documents which are incorporated herein by reference (see “Documents incorporated by reference” on pages 44 and 45 of this Base Prospectus). This Base Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

### **No independent verification or advice**

None of the Dealers (as named on the cover page of this Offering Memorandum or as may be appointed from time to time) or the Agents (as defined in the Conditions) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Dealer or Agent as to the accuracy or completeness of any of the information contained in this Base Prospectus or any further information supplied in connection with the Programme.

Neither this Base Prospectus nor any other information provided in connection with the Programme or the PD Debt Instruments is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things, by MGL or any Dealer or Agent that any recipient of this Base Prospectus purchase any PD Debt Instruments or any rights in respect of any PD Debt Instruments. Each investor contemplating purchasing any PD Debt Instruments or any rights in respect of any PD Debt Instruments under the Programme should make (and shall be deemed to have made) its own independent assessment of the condition and affairs of, and its own appraisal of the creditworthiness of, MGL. No advice is given in respect of the taxation treatment of investors in connection with investment in any PD Debt Instruments and each investor is advised to consult its own professional adviser.

### **Currency of information**

Neither the delivery of this Base Prospectus nor any sale made in connection with this Base Prospectus at any time implies that the information contained herein concerning MGL is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated. Investors should review, amongst other things, the documents deemed to be incorporated herein by reference when deciding whether or not to purchase any PD Debt Instruments.

### **No review of affairs of MGL or the Macquarie Group**

None of the Dealers or the Agents undertakes to review the financial condition or affairs of MGL or the Macquarie Group during the life of the Programme or to advise any investor in the PD Debt Instruments of any information coming to the attention of any Dealer or Agent.

### **PD Debt Instruments may not be a suitable investment for all investors**

Investors should have (either alone or with the help of a financial or other professional adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of PD Debt Instruments and the information contained in or incorporated by reference in this Base Prospectus or any Final Terms.

A range of PD Debt Instruments may be issued under the Programme. A number of these PD Debt Instruments may have features which contain particular risks for potential investors in relation to their

own personal circumstances. The risks of a particular PD Debt Instrument will depend on the terms of such PD Debt Instrument, including any subordination provisions. Prospective investors may be required to bear the financial risks of an investment in the PD Debt Instruments for an indefinite period of time or could lose all or a substantial portion of their investment if MGL becomes unable to fulfil its obligations owing under the PD Debt Instruments (for example, in circumstances where MGL becomes insolvent). Such risks generally depend on factors over which MGL has no control and which cannot readily be foreseen.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (A) PD Debt Instruments are legal investments for it, (B) PD Debt Instruments can be used as collateral for various types of borrowing and (C) other restrictions apply to its purchase or pledge of any PD Debt Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of PD Debt Instruments under any applicable risk-based capital or similar rules.

### No authorisation

No person has been authorised to give any information or make any representations not contained in this Base Prospectus in connection with MGL, the Macquarie Group, the Programme or the issue or sale of the PD Debt Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by MGL or any Dealer or Agent.

### Distribution

The distribution of this Base Prospectus and any Final Terms and the offer, sale, resale or transfer of PD Debt Instruments may be restricted in certain jurisdictions. Neither MGL nor any Dealer or Agent represents that this Base Prospectus may be lawfully distributed, or that any PD Debt Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, except for registration of this Base Prospectus with the UK Listing Authority and the London Stock Exchange, no action has been taken by MGL or any Dealer or Agent which would permit a public offering of any PD Debt Instruments or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no PD Debt Instruments may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

Persons into whose possession this Base Prospectus or any PD Debt Instruments come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer, sale, resale or transfer of PD Debt Instruments in Australia, the United States of America ("**United States**"), the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the People's Republic of China ("**PRC**"), Malaysia, Mexico and Taiwan (see "Representations and Warranties of Investors" on page 10 of this Base Prospectus and "Subscription and Sale" on pages 122 to 131 inclusive of this Base Prospectus).

This Base Prospectus and any Final Terms is not intended to, nor does it, constitute an offer or invitation by or on behalf of MGL or any Dealer or Agent to any person to subscribe for or purchase any PD Debt Instruments nor does it constitute, and it may not be used for the purposes of, an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the PD Debt Instruments or the distribution of this Base

Prospectus or any Final Terms in any jurisdiction where such action is required.

## **Forward-Looking Statements about MGL**

This Base Prospectus contains and incorporates by reference statements that constitute forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding MGL's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Examples of these forward-looking statements include, but are not limited to (i) statements regarding our future results of operations and financial condition, (ii) statements of plans, objectives or goals, including those related to our products or services, and (iii) statements of assumptions underlying those statements. Words such as "may," "will," "expect," "intend," "plan," "estimate," "anticipate," "believe," "continue," "probability," "risk," and other similar words are intended to identify forward-looking statements, but are not the exclusive means of identifying those statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of MGL, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of MGL and the environment in which it will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus. MGL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Base Prospectus, or incorporated herein by reference, to reflect any change in the expectations of MGL with regard to such forward-looking statements or any change in events, conditions or circumstances on which any such forward-looking statement is based.

## **Stabilisation**

In connection with the issue of any Tranche of PD Debt Instruments, the Dealer or Dealers (if any) acting as stabilising manager(s) (or any person acting on behalf of any such stabilising manager(s)) may over-allot PD Debt Instruments or effect transactions outside Australia and on a market operated outside Australia with a view to supporting the market price of the PD Debt Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or persons acting on behalf of a stabilising manager) will undertake stabilisation action.

Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of PD Debt Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of PD Debt Instruments and 60 days after the date of the allotment of the relevant Tranche of PD Debt Instruments. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

## **References to currencies**

In this Base Prospectus references to:

- **"U.S.\$"** and **"U.S. Dollars"** are to the lawful currency of the United States;
- **"A\$"** and **"Australian Dollars"** are to the lawful currency of Australia;
- **"£"**, **"sterling"** and **"Sterling"** are to the lawful currency of the United Kingdom;
- **"Yen"** are to the lawful currency of Japan;

- “HKD” or “Hong Kong Dollars” are to the lawful currency of Hong Kong;
- “€”, “EUR” or “Euro” are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; and
- “RMB” or “Renminbi” are to the lawful currency of the PRC.

### Supplemental Prospectus

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to section 87G of the FSMA, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further prospectus which, in respect of any subsequent issue of PD Debt Instruments to be listed on the Official List and admitted to trading on the Market, shall constitute a supplemental prospectus as required by the UK Listing Authority and section 87G of the FSMA.

The Issuer has undertaken, in connection with the listing of the PD Debt Instruments, that if at any time while any PD Debt Instruments are admitted to the Official List and to trading on the Market there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any PD Debt Instruments and whose inclusion in this Base Prospectus or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the PD Debt Instruments, the Issuer will prepare and make available a supplement to this Base Prospectus or a further prospectus for use in connection with any subsequent issue of PD Debt Instruments to be admitted to the Official List and to trading on the Market.

## Representations and Warranties of Investors

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THE PD DEBT INSTRUMENTS DESCRIBED IN THIS BASE PROSPECTUS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT. THE PD DEBT INSTRUMENTS ARE BEING OFFERED AND SOLD SOLELY IN “OFFSHORE TRANSACTIONS” TO PERSONS THAT ARE NOT, AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, “U.S. PERSONS”, IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

Each initial and subsequent purchaser of PD Debt Instruments will be deemed to have acknowledged, represented and agreed to and with MGL and each Dealer as follows:

- 1 The PD Debt Instruments have not been, and will not be, registered under the Securities Act or any other applicable securities law and, accordingly, none of the PD Debt Instruments may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in accordance with, and subject to, applicable law and the transfer restrictions described in this Base Prospectus.
- 2 It is a purchaser acquiring such PD Debt Instruments in an offshore transaction occurring outside the United States within the meaning of Regulation S and that it is not a “U.S. person” (and is not acquiring such PD Debt Instruments for the account or benefit of a U.S. person) within the meaning of Regulation S.
- 3 It acknowledges that MGL, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of PD Debt Instruments are no longer accurate, it shall promptly notify MGL and the Dealer through which it purchased any PD Debt Instruments. If it is acquiring any PD Debt Instruments as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- 4 It is not an Offshore Associate (as defined below) and, if it purchases the PD Debt Instruments as part of the primary distribution of the PD Debt Instruments, it will not sell any of the PD Debt Instruments (or any interest in any of the PD Debt Instruments) to any person as part of the primary distribution of the PD Debt Instruments, if, at the time of such sale, its employees directly involved in the sale knew or had reasonable grounds to suspect that, as a result of the sale, such PD Debt Instruments would be acquired (directly or indirectly) by an Offshore Associate. “Offshore Associate” means an associate (within the meaning of section 128F(9) of the Income Tax Assessment Act of 1936 of Australia) of MGL that is either a non-resident of Australia that does not acquire the PD Debt Instruments in carrying on a business at or through a permanent establishment in Australia, or a resident of Australia that acquires the PD Debt Instruments in carrying on a business at or through a permanent establishment outside Australia, provided that an associate acting in the capacity of a dealer, manager or underwriter in relation to the placement of the PD Debt Instruments, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme under the Corporations Act is not an Offshore Associate for these purposes. For the avoidance of doubt, if its employees directly involved in a sale of PD Debt Instruments do not know or suspect that a person is an associate of MGL, nothing in this paragraph 4 obliges it or its employees to make positive enquiries of that person to confirm that that person is not an Offshore Associate.

## Summary of the Programme

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Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the PD Debt Instruments and MGL. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

### Section A – Introduction and warnings

Element	Title	
A.1	Introduction and warnings	<ul style="list-style-type: none"> <li>• This summary should be read as an introduction to the Base Prospectus and the applicable Final Terms.</li> <li>• Any decision to invest in the PD Debt Instruments should be based on a consideration of this Base Prospectus, including any documents incorporated by reference, and the applicable Final Terms as a whole by the investor.</li> <li>• Where a claim relating to information contained in the Base Prospectus and the applicable Final Terms is brought before a court, the plaintiff investor might, under the national legislation of the Member States have to bear the costs of translating the Base Prospectus and the applicable Final Terms before the legal proceedings are initiated.</li> <li>• Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or it does not provide, when read together with the other parts of this Base Prospectus and the applicable Final Terms, key information in order to aid investors when considering whether to invest in such PD Debt Instruments.</li> </ul>
A.2	Consent by the Issuer to the use of this Base Prospectus for subsequent resale or final placement of the PD Debt Instruments	<p>Certain Tranches of PD Debt Instruments with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered pursuant to a public offer (“<b>Public Offer</b>”).</p> <p><i>[Issue specific summary:</i></p> <p><i>[Not Applicable: MGL does not consent to the use of the Base Prospectus for subsequent resales or final placement of the PD Debt Instruments.]</i></p>

Element	Title	
		<p>[Consent: Subject to the conditions set out below, MGL consents to the use of this Base Prospectus in connection with a Public Offer of PD Debt Instruments by [●] [and] [each financial intermediary whose name is published on the internet site <a href="http://www.macquarie.com.au">www.macquarie.com.au</a> and identified as an Authorised Offeror in respect of the Public Offer] [and any financial intermediary which is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p>"We, [●], refer to the [●] (the "PD Debt Instruments") described in the Final Terms dated [<i>insert date</i>] (the "Final Terms") published by Macquarie Group Limited (the "Issuer"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the PD Debt Instruments in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly." (each an "Authorised Offeror")</p> <p>Offer period: MGL's consent referred to above is given for Public Offers of the PD Debt Instruments, and subsequent resales and final placements of the PD Debt Instruments can be made by the Authorised Offeror[s], during the period from [●] to [●] (the "Offer Period").</p> <p>Conditions to consent: The conditions to MGL's consent to the use of the Base Prospects for subsequent resale or final placement of the PD Debt Instruments by the Authorised Offeror[s] (in addition to the conditions referred to above) are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make Public Offers of the PD Debt Instruments in [●] and (c) [●].</p> <p><b>INFORMATION ON THE TERMS AND CONDITIONS OF THE OFFER WILL BE PROVIDED TO INVESTORS BY THE AUTHORISED OFFEROR AT THE TIME OF THE OFFER]</b></p>

#### Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	Macquarie Group Limited (ABN 94 122 169 279)

Element	Title																																																													
B.2	Domicile and legal form of the Issuer, legislation under which it operates and country of incorporation	The Issuer is incorporated and domiciled in Australia under the laws of the Commonwealth of Australia.																																																												
B.4b	Known trends with respect to the Issuer and the industry in which it operates	[Not Applicable - There are no known trends, affecting the Issuer and the industries in which it operates.]																																																												
B.5	The Issuer’s group	MGL is the ultimate holding company for all other companies and entities within the Macquarie Group including, but not limited to, MBL.																																																												
B.9	Profit forecast or estimate	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.																																																												
B.10	Audit report qualifications	Not Applicable - No qualifications are contained in any audit report included in the Base Prospectus.																																																												
B.12	Selected historical key financial information of the Issuer, no material adverse change statement and description of significant changes in financial or trading position of the Issuer	<div><i>Selected historical key financial information from Income Statements</i></div> <table><tr><th></th><th>Consol. 2013 A\$m</th><th>Consol. 2012 A\$m</th><th>MGL 2013 A\$m</th><th>MGL 2012 A\$m</th></tr><tr><td>Net interest income/(expense)</td><td>1,367</td><td>1,333</td><td>(74)</td><td>(106)</td></tr><tr><td>Net operating income</td><td>6,700</td><td>6,963</td><td>1,188</td><td>386</td></tr><tr><td>Total operating expenses</td><td>(5,295)</td><td>(5,914)</td><td>(14)</td><td>(16)</td></tr><tr><td><b>Operating profit before income tax</b></td><td><b>1,405</b></td><td><b>1,049</b></td><td><b>1,174</b></td><td><b>370</b></td></tr><tr><td><b>Profit after income tax</b></td><td><b>872</b></td><td><b>762</b></td><td><b>1,197</b></td><td><b>415</b></td></tr><tr><td colspan="5"><b>Profit attributable to non-controlling interests:</b></td></tr><tr><td>Macquarie Income Securities</td><td>(21)</td><td>(26)</td><td>-</td><td>-</td></tr><tr><td>Macquarie Income Preferred Securities</td><td>(4)</td><td>(4)</td><td>-</td><td>-</td></tr><tr><td>Other non-controlling interests</td><td>4</td><td>(2)</td><td>-</td><td>-</td></tr><tr><td><b>Profit attributable to non-controlling interests</b></td><td><b>(21)</b></td><td><b>(32)</b></td><td><b>-</b></td><td><b>-</b></td></tr><tr><td><b>Profit attributable to ordinary equity holders of Macquarie Group Limited</b></td><td><b>851</b></td><td><b>730</b></td><td><b>1,197</b></td><td><b>415</b></td></tr></table>		Consol. 2013 A\$m	Consol. 2012 A\$m	MGL 2013 A\$m	MGL 2012 A\$m	Net interest income/(expense)	1,367	1,333	(74)	(106)	Net operating income	6,700	6,963	1,188	386	Total operating expenses	(5,295)	(5,914)	(14)	(16)	<b>Operating profit before income tax</b>	<b>1,405</b>	<b>1,049</b>	<b>1,174</b>	<b>370</b>	<b>Profit after income tax</b>	<b>872</b>	<b>762</b>	<b>1,197</b>	<b>415</b>	<b>Profit attributable to non-controlling interests:</b>					Macquarie Income Securities	(21)	(26)	-	-	Macquarie Income Preferred Securities	(4)	(4)	-	-	Other non-controlling interests	4	(2)	-	-	<b>Profit attributable to non-controlling interests</b>	<b>(21)</b>	<b>(32)</b>	<b>-</b>	<b>-</b>	<b>Profit attributable to ordinary equity holders of Macquarie Group Limited</b>	<b>851</b>	<b>730</b>	<b>1,197</b>	<b>415</b>
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		<p><i>Selected historical key financial information from Statements of Financial Position</i></p> <table><thead><tr><th></th><th>Consol. 2013 A\$m</th><th>Consol. 2012 A\$m</th><th>MGL 2013 A\$m</th><th>MGL 2012 A\$m</th></tr></thead><tbody><tr><td colspan="5"><b>ASSETS</b></td></tr><tr><td><b>Total assets</b></td><td>150,778</td><td>153,626</td><td>20,417</td><td>21,178</td></tr><tr><td colspan="5"><b>LIABILITIES</b></td></tr><tr><td>Total liabilities excluding loan capital</td><td>135,610</td><td>138,551</td><td>7,557</td><td>8,782</td></tr><tr><td>Total loan capital</td><td>3,220</td><td>3,343</td><td>–</td><td>–</td></tr><tr><td><b>Total liabilities</b></td><td>138,830</td><td>141,894</td><td>7,557</td><td>8,782</td></tr><tr><td><b>Net assets</b></td><td>11,948</td><td>11,732</td><td>12,860</td><td>12,396</td></tr><tr><td colspan="5"><b>EQUITY</b></td></tr><tr><td>Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited</td><td>11,396</td><td>11,203</td><td>12,860</td><td>12,396</td></tr><tr><td><b>Non-controlling interests</b></td><td>552</td><td>529</td><td>–</td><td>–</td></tr><tr><td><b>Total equity</b></td><td>11,948</td><td>11,732</td><td>12,860</td><td>12,396</td></tr></tbody></table> <p>[The financial information above is selected historical key financial information of MGL and its consolidated subsidiaries]</p> <p>[There has been no significant change in the financial or trading position of MGL or the Macquarie Group since [31 March 2013], and no material adverse change in the prospects of MGL or the Macquarie Group since [31 March 2013], the date of MGL’s last published audited financial statements.]</p>		Consol. 2013 A\$m	Consol. 2012 A\$m	MGL 2013 A\$m	MGL 2012 A\$m	<b>ASSETS</b>					<b>Total assets</b>	150,778	153,626	20,417	21,178	<b>LIABILITIES</b>					Total liabilities excluding loan capital	135,610	138,551	7,557	8,782	Total loan capital	3,220	3,343	–	–	<b>Total liabilities</b>	138,830	141,894	7,557	8,782	<b>Net assets</b>	11,948	11,732	12,860	12,396	<b>EQUITY</b>					Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited	11,396	11,203	12,860	12,396	<b>Non-controlling interests</b>	552	529	–	–	<b>Total equity</b>	11,948	11,732	12,860	12,396
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B.13	Recent events material to the evaluation of the Issuer's solvency	Not Applicable - There are no recent events particular to MGL which are to a material extent relevant to the evaluation of the Issuer's solvency.																																																												
B.14	Dependence upon other members of the Issuer’s group	Not Applicable – MGL is not dependent upon other entities within the Macquarie Group.																																																												
B.15	Principal activities	MGL is a diversified financial services holding company listed on the Australian Securities Exchange operated by ASX Limited (“ASX”), headquartered in Sydney, Australia and regulated as a non-operating holding company of an authorised deposit taking institution (“ADI”) by the Australian Prudential Regulation Authority (“APRA”). The Macquarie Group provides banking, financial, advisory, investment and funds management services through client driven businesses which generate income by providing a diversified range of services to clients. The Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world.																																																												

Element	Title	
B.16	Ownership and control	<p>As at 31 March 2013, MGL had on issue [●] fully paid ordinary shares and [●] options granted over unissued ordinary shares. The ordinary shares of MGL are listed in Australia on the ASX.</p> <p>As at the date of this Base Prospectus, MGL is neither directly nor indirectly controlled by any of its shareholders.</p>
B.17	Rating	<p>Standard and Poor's (Australia) Pty Ltd has assigned MGL a credit rating for long-term unsubordinated unsecured obligations of BBB. The outlook for the rating is stable.</p> <p>Moody's Investors Service Pty Limited has assigned MGL a credit rating for long-term unsubordinated unsecured obligations of A3. The outlook for the rating is stable.</p> <p>Fitch Australia Pty Ltd has assigned MGL a credit rating for long-term unsubordinated unsecured obligations of A-. The outlook for the rating is stable.</p> <p><i>Issue specific summary:</i></p> <p>[The PD Debt Instruments [have been/are expected to be] rated [●] by [●].</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.]</p> <p>[Not Applicable - No ratings have been assigned to the Issuer or its debt securities at the request of or with the co-operation of the Issuer in the rating process.]</p>

### Section C – PD Debt Instruments

Element	Title	
C.1	Type and class of PD Debt Instruments including security identification number	<p>The PD Debt Instruments to be issued under the Programme may be a Fixed Rate PD Debt Instrument, a Fixed/Floating Interest Rate Basis PD Debt Instrument, a Floating Rate PD Debt Instrument, a Zero Coupon PD Debt Instrument or a combination of the foregoing.</p> <p><i>Issue specific summary:</i></p> <p>The PD Debt Instruments are [U.S.\$ / A\$ / £ / Yen / HKD / € / RMB / <i>other</i>] [●] [●] per cent./Floating Rate / “Fixed / Floating”/Zero Coupon] PD Debt Instruments due [●].</p> <p>International Securities Identification Number (“ISIN”): [●]</p>

Element	Title	
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, PD Debt Instruments may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.</p> <p><i>Issue specific summary:</i></p> <p>The currency of this Series of PD Debt Instruments is [U.S. Dollars (U.S.\$)/Australian Dollars (A\$)/Pounds Sterling (£)/Yen/Hong Kong Dollars (HKD)/Euro (€)/Renminbi (RMB) / [●] (“[●]”).</p>
C.5	Restrictions on free transferability	<p>Not Applicable - There are no restrictions on the free transferability of the PD Debt Instruments.</p> <p>The offering, sale, delivery and transfer of PD Debt Instruments and the distribution of this Base Prospectus and other material in relation to any PD Debt Instruments are subject to restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of PD Debt Instruments including, in particular, restrictions in Australia, the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the PRC, Malaysia, Mexico and Taiwan.</p>
C.8	Rights attached to the PD Debt Instruments, including ranking and any limitations on those rights	<p>PD Debt Instruments issued under the Programme will have terms and conditions relating to, among other matters:</p> <p><i>Status and Subordination</i></p> <p>[PD Debt Instruments may be issued on either an unsubordinated or a subordinated basis.] PD Debt Instruments [issued on an unsubordinated basis] constitute direct and [(subject to the provisions of [the Issuer's] negative pledge below)] unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and at least equally with all other unsecured and unsubordinated creditors (except creditors mandatorily preferred by law) of the Issuer, from time to time outstanding.</p> <p>[Payments in respect of any PD Debt Instruments issued on a subordinated basis will rank as follows [●].]</p> <p><i>[Issue specific summary:</i></p> <p>This Series of PD Debt Instruments is issued on a[n] [unsubordinated/subordinated] basis.]</p> <p><i>Taxation</i></p> <p>All payments in respect of PD Debt Instruments will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental</p>

Element	Title	
		<p>charges of whatever nature imposed by or on behalf of Australia or Victoria (or, in the case of PD Debt Instruments issued by a branch of the Issuer located outside Australia, the jurisdiction in which such branch is located), unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p><i>Negative pledge</i></p> <p>The terms of the PD Debt Instruments issued on an unsubordinated basis will contain a negative pledge provision [which prevents the Issuer, whilst there are any Unsubordinated PD Debt Instruments outstanding, from creating or permitting to subsist any mortgage, charge pledge, lien or other form of encumbrance or security interest ("Security Interest") upon the whole or any part of its present or future assets or revenues as security for any relevant indebtedness, guarantee or indemnity unless (i) the Issuer grants such Security Interest that will result in its obligations under the PD Debt Instruments being secured equally and rateably in all respects so as to rank equally with all applicable relevant indebtedness or guarantee or (ii) the granting of such Security Interest has been approved by an Extraordinary Resolution].</p> <p>Events of default</p> <p>The terms of the PD Debt Instruments will contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> <li>(i) default in payment of any principal or interest due in respect of the PD Debt Instruments, continuing for a specified period of time;</li> <li>(ii) non-performance or non-observance by the Issuer of any of its other obligations under the conditions of the PD Debt Instruments, continuing for a specified period of time; and</li> <li>(iii) events relating to the insolvency or winding up of the Issuer.</li> </ul> <p><i>Meetings</i></p> <p>The terms of the PD Debt Instruments will contain provisions for calling meetings of holders of such PD Debt Instruments to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>

Element	Title	
		<p><i>Governing law</i></p> <p>[English law/The laws of New South Wales].</p>
C.9	Rights attached to the PD Debt Instruments including ranking and any limitation to those rights, details of the interest payable, indication of yield and representative of holders	<p><i>Interest</i></p> <p>PD Debt Instruments may or may not bear interest. Interest-bearing PD Debt Instruments will either bear interest payable at a fixed rate or a floating rate.</p> <p><i>Issue specific summary:</i></p> <p>[The PD Debt Instruments bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum. The yield of the PD Debt Instruments is [●] per cent. Interest will be paid [annually] in arrear on [●] in each year. The first interest payment will be made on [●].</p> <p>[The PD Debt Instruments bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [LIBOR / EURIBOR / BBSW / BKBM / HIBOR / BA-CDOR/SIBOR] [plus/minus] a margin of [●] per cent. Interest will be paid [semi-annually] in arrear on [●] and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●].]</p> <p>[The PD Debt Instruments do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>[The yield for the Fixed Rate PD Debt Instruments will be [●] on the Issue Date and will be calculated on the basis of the compound annual rate of return if the relevant Fixed Rate PD Debt Instruments were to be purchased at the Issue Price on the Issue Date and held to maturity. This is not an indication of future yield.]</p> <p><i>Redemption</i></p> <p>The terms under which PD Debt Instruments may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant PD Debt Instruments.</p> <p><i>Issue specific summary:</i></p> <p>Subject to any purchase and cancellation or early redemption, the PD Debt Instruments will be redeemed on [●] at [●] per cent. of their nominal amount.</p> <p>The PD Debt Instruments may be redeemed early for tax reasons [or [●]] at [●].</p>

Element	Title	
		<p>[The Subordinated PD Debt Instruments may be redeemed for [loss deductibility/regulatory] reasons]</p> <p>Maturity date and arrangements for the amortisation of the PD Debt Instruments, including the repayment procedures: [●]</p> <p><b>No representative of the Holders of PD Debt Instruments has been appointed by the Issuer.</b></p>
C.10	Rights attached to the PD Debt Instruments including ranking, any limitation to those rights, details of the interest payable, indication of yield, representative of holders and effect of underlying instrument on the value of the investment	Not applicable – There is no derivative component in the interest payments.
C.11	Admission to trading	Application has been made for each series of PD Debt Instruments to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Regulated Market.

## Section D – Risks

Element	Title	
D.2	Key risks that are specific to the Issuer	<p>The following are the key risks relating to the Issuer:</p> <p><i>Financial Risk</i></p> <p>There are a range of economic and commercial risks which will affect Macquarie Group's business, many of which are not in the control of MGL or the Macquarie Group. The performance of all of the Macquarie Group's major businesses can be influenced by external market and regulatory conditions. If the Macquarie Group's businesses were affected by adverse circumstances, overall earnings would suffer significantly. The Macquarie Group's risk management framework incorporates active management and monitoring of those risks which may create the potential for MGL and the Macquarie Group to suffer loss.</p>

Element	Title	
		<p><i>Market Risk</i></p> <p>Global market conditions are subject to periods of volatility and change, which can negatively impact market liquidity, increase credit spreads and reduce funding availability. Global economic conditions remain uncertain. If the economic climate worsens in the future, including due to ongoing sovereign debt concerns in Europe and concerns about the United States and global growth, or concerns of a systemic shock, the Macquarie Group's financial performance, business or strategy may be adversely affected.</p> <p><i>Funding Risk</i></p> <p>The Macquarie Group relies on equity and debt markets for funding its business. Further instability in these markets may affect the Macquarie Group's ability to access funding, particularly the ability to issue long-term debt securities, to replace maturing liabilities in a timely manner and to access the funding necessary to grow its businesses. In addition, an increase in credit spreads may increase the Macquarie Group's cost of funding.</p> <p><i>Liquidity Risk</i></p> <p>The Macquarie Group is exposed to the risk that it may become unable to meet its financial commitments when they fall due, which could arise due to mismatches in cashflows. Liquidity is essential to the Macquarie Group's businesses. Liquidity could be impaired by an inability to access credit and debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. In difficult credit and debt markets the Macquarie Group may be forced to find alternative funding sources or fund its operations at a higher cost.</p> <p><i>Regulatory Risk</i></p> <p>Some of the Macquarie Group's businesses are highly regulated, including regulation relating to prudential and liquidity requirements. Failure to comply with legal and regulatory requirements, including tax laws and regulations, and rules relating to conflicts of interest, corrupt and illegal payments and money laundering, or government policies, may have an adverse effect on the Macquarie Group and its reputation among customers and regulators in the market.</p> <p><i>Credit Rating Risk</i></p> <p>Certain Macquarie Group entities are assigned credit ratings based on an evaluation of a number of factors. If one or more of these credit ratings were downgraded this could have the effect of increasing the cost of funds raised by the Macquarie Group from financial markets, reducing the Macquarie Group's</p>

Element	Title	
		<p>ability to access certain capital markets, triggering the Macquarie Group's obligations under certain of its contracts, and/or adversely impacting the willingness of counterparties to deal with the Macquarie Group.</p> <p><i>Competition Risk</i></p> <p>The Macquarie Group faces significant competition from local and international competitors, which compete vigorously for participation in the various markets and sectors across which the Macquarie Group operates. The effect of competitive market conditions may adversely impact the earnings and assets of the Macquarie Group.</p> <p>If any of the risks described in this section actually occur, the businesses, competitive position, financial performance, financial condition, operations, prospects or reputation of MGL, as well as other entities within the Macquarie Group, could be materially and adversely affected, with the result that the value, trading price and/or liquidity of MGL's equity and debt securities (including the PD Debt Instruments) could decline, and investors could lose all or part of their investment.</p>
D.3	Key risks that are specific to the PD Debt Instruments	<p>There are also risks associated with the PD Debt Instruments. These include a range of market risks (including that there may be no or only a limited secondary market in the PD Debt Instruments, that the value of an investor's investment may be adversely affected by exchange rate movements where the PD Debt Instruments are not denominated in the investor's own currency, that any credit rating assigned to the PD Debt Instruments may not adequately reflect all the risks associated with an investment in the PD Debt Instruments and that changes in interest rates will affect the market value of Debt Instruments which bear interest at a fixed rate), the fact that the conditions of the PD Debt Instruments may be modified without the consent of the holder in certain circumstances, that the holder may not receive payment of the full amounts due in respect of the PD Debt Instruments as a result of amounts being withheld by the Issuer in order to comply with applicable law and that investors are exposed to the risk of changes in law or regulation affecting the market value of PD Debt Instruments held by them.</p> <p>If any of the risks described in this section actually occur, the value, trading price and/or liquidity of the PD Debt Instruments could decline, and investors could lose all or part of their investment.</p>



## Section E – Offer

Element	Title	
E.2b	Reasons for the offer and use of proceeds	MGL intends to use the net proceeds from the issuance of PD Debt Instruments for the general corporate purposes of the Macquarie Group.
E.3	Terms and conditions of the offer	<p>Under the Programme, the PD Debt Instruments may be offered to the public in a Public Offer in [●].</p> <p>The terms and conditions of each offer of PD Debt Instruments will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any PD Debt Instruments in a Public Offer from an Offeror will do so, and offers and sales of such PD Debt Instruments to an Investor by such Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p><i>Issue specific summary:</i></p> <p>[This issue of PD Debt Instruments is being offered in a Public Offer in [●].</p> <p>The issue price of the PD Debt Instruments is [●] per cent. of their nominal amount.</p> <p>Offer Period: [●]</p> <p>Conditions of offer: [Not Applicable / [●]]</p> <p>Application process: [Not Applicable / [●]]</p> <p>Reduction of subscriptions: [Not Applicable / [●]]</p> <p>Manner for refunding excess amount paid by applicants: [Not Applicable / [●]]</p> <p>Minimum amount of application: [Not Applicable/[●]]</p> <p>Maximum amount of application: [Not Applicable/[●]]</p> <p>Method and time limits for paying up and delivering PD Debt Instruments: [Not Applicable/[●]]</p> <p>Manner in and date on which results of the offer are to be made public: [Not Applicable/[●]]</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment [Not Applicable/[●]]</p>

Element	Title	
		<p>of subscription rights not exercised:</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/[●]]</p> <p>Amount of any expenses and taxes specifically charged to subscribers or purchasers of PD Debt Instruments: [Not Applicable/[●]]</p> <p>Name(s) and address(es) (to the extent known to the Issuer) of the Placers in the various countries where the offer takes place: [Not Applicable/[●]]</p>
E.4	Interests material to the issue/offer including conflicts of interests	<p><i>Issue specific summary</i></p> <p>[Save for [●], so far as the Issuer is aware, no person involved in the issue of the PD Debt Instruments has an interest material to the offer, including conflicting interests.]/[Not Applicable]</p>
E.7	Estimated expenses charged to the investor by the Issuer or an Offeror	<p>It is not anticipated that the Issuer will charge any expenses to investors in connection with any issue of PD Debt Instruments under the Programme. Other Offerors (as defined above) may, however, charge expenses to investors. Such expenses (if any) will be determined on a case by case basis but would be expected to be in the range of between 1 per cent. and 7 per cent. of the nominal amount of the PD Debt Instruments to be purchased by the relevant investor unless specified below with respect to a specific issue of PD Debt Instruments.</p> <p><i>Issue specific summary:</i></p> <p>[Not Applicable – No expenses will be charged to investors by the Issuer.]</p> <p>[No expenses are being charged to an investor by the Issuer. For this specific issue, however, expenses may be charged by an Offeror (as defined above) in the range between [●] per cent. and [●] per cent. of the nominal amount of the PD Debt Instruments to be purchased by the relevant investor.]</p>

## Risk Factors

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*This section describes the risks the Issuer believes may be material for the purpose of assessing the risks associated with PD Debt Instruments and the market for PD Debt Instruments generally. They are not an exhaustive description of all the risks associated with an investment in PD Debt Instruments and the Issuer may be unable to fulfil its payment or other obligations under or in connection with the PD Debt Instruments due to a factor which the Issuer did not consider to be a material risk based on information currently available to it or which it may not currently be able to anticipate.*

*If any of the risks described below (or an unlisted risk) actually occur, the value, trading price and liquidity of the PD Debt Instruments could decline, and an investor could lose all or part of their investment. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Potential investors should consider all the factors described below before making any decision to invest in the PD Debt Instruments and should not base their decision solely on the key risk factors contained in Elements 2 and 3 of section D ("Risk") of the Summary contained in this Base Prospectus (including any documents deemed to be incorporated by reference herein). Potential investors must carefully consider the risks below and the other information in this Base Prospectus before investing in any PD Debt Instruments issued under the Programme.*

### **(a) Factors that may affect the Issuer's ability to fulfil its obligations under PD Debt Instruments issued under the Programme**

The value, trading price and liquidity of the PD Debt Instruments depends upon, amongst other things, the ability of MGL to fulfil its obligations under the PD Debt Instruments which, in turn is primarily dependent on the financial prospects of MGL and the Macquarie Group.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by MGL and the Macquarie Group, including those that encompass a broad range of economic and commercial risks, many of which are not within their control. The performance of all of the Macquarie Group's major businesses can be influenced by external market and regulatory conditions. If all or most of the Macquarie Group's businesses were affected by adverse circumstances at or about the same time, overall earnings would suffer significantly.

The Macquarie Group's risk management framework incorporates active management and monitoring of risks including market, credit, equity, liquidity, operational, compliance, foreign exchange, legal, regulatory and reputation risks. These risks create the potential for MGL and the Macquarie Group to suffer loss.

***The Macquarie Group's business and financial condition has been and may continue to be negatively impacted by adverse credit, economic and other market conditions, which may have an adverse impact on the Macquarie Group's financial condition and liquidity***

The Macquarie Group's businesses operate in or depend on the operation of global markets, either directly or indirectly, through exposures in securities, loans, derivatives and other activities. In particular, uncertainty in global credit markets, increased funding costs, constrained access to funding, and the decline in equity and capital market activity have impacted transaction flow in a range of industry sectors, all of which has adversely impacted the Macquarie Group's financial performance.

The Macquarie Group may continue to endure similar or heightened adverse impacts in the future, depending upon factors such as whether economies in the United States and Europe recover and the

rate at which any recovery occurs. The Macquarie Group may also face new costs and challenges as a result of general economic and geopolitical events and conditions. For instance, a European sovereign default, slowdown in the United States recovery, slowing growth in emerging economies or departure of a European country from the Euro zone or the market perception of any such events would disrupt global funding markets and the global financial system more generally. The Macquarie Group may also be impacted indirectly through its counterparties that may have direct exposure to the United States and European sovereigns and financial institutions.

***The Macquarie Group's liquidity, profitability and businesses may be adversely affected by an inability to access international capital markets or by an increase in its cost of funding***

The Macquarie Group is exposed to the risk that it may become unable to meet its financial commitments when they fall due, which could arise due to mismatches in cashflows. Liquidity is essential to the Macquarie Group's businesses. The Macquarie Group's liquidity could be impaired by an inability to access credit and debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. In difficult credit and debt markets, the Macquarie Group may be forced to find alternative funding sources or fund its operations at a higher cost.

The Macquarie Group relies on equity and debt markets for funding its businesses. If the Macquarie Group's current sources of funding prove to be insufficient, the Macquarie Group may be forced to seek alternative financing. The availability of alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit, the Macquarie Group's credit ratings and credit capacity. The cost of these alternatives may be more expensive than the Macquarie Group's current sources of funding or include other unfavourable terms, or the Macquarie Group may be unable to raise as much funding as it needs to support its business activities. This could slow the growth rate of the Macquarie Group's businesses, cause the Macquarie Group to reduce its term assets and increase the Macquarie Group's cost of funding, all of which could reduce the Macquarie Group's profitability and may have an adverse impact on MGL's ability to fulfil its obligations under the PD Debt Instruments. Other risks associated with funding that the Macquarie Group may face are over reliance on a particular funding source or a simultaneous increase in funding costs across a broad range of sources.

General business and economic conditions are key considerations in determining the Macquarie Group's access to capital markets, cost of funding and ability to meet its liquidity needs. These include, but are not limited to, changes in interest rates, inflation, monetary supply, commodities volatility and results, fluctuations in both debt and equity capital markets, relative changes in foreign exchange rates, consumer confidence and the relative strength of the economies in which the Macquarie Group operates. Renewed turbulence or a worsening general economic climate, such as in Europe or the United States, could adversely impact any or all of these factors. Should conditions remain uncertain for a prolonged period, or deteriorate further, the Macquarie Group's funding costs may increase and may limit the Macquarie Group's ability to replace, in a timely manner, maturing liabilities, which could adversely affect its ability to fund and grow its business or otherwise have a material impact on the Macquarie Group.

Since 2008, governments and central banks around the globe (including in the United States, Europe and Japan) have taken steps to increase liquidity, restore confidence in financial systems and bolster economic growth. There can be no assurance, however, that such measures will result in a sustained long-term stabilisation of financial markets. In addition, governments have begun to withdraw or alter their support of such relief measures and it is not clear what long term effect these actions, or the consequential impacts of substantial fiscal stimulus on the budgets of sovereigns, will have on global economic conditions or the Macquarie Group's financial condition. If access to public bond markets over the medium term worsens, and other existing avenues of term funding become unavailable, the Macquarie Group may need to consider selling securities or other liquid assets. In the event the

Macquarie Group is required to sell assets, there is no assurance that the Macquarie Group will be able to obtain favourable prices on the assets it offers for sale or will be able to successfully complete asset sales at an acceptable price or in an acceptable timeframe. The sale of income earning assets may also adversely impact the Macquarie Group's income in future periods. If these occur, the Macquarie Group's profitability and business may be adversely affected.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among the financial institutions. As a result, concerns, whether well-founded or not, about, or default by, any large financial institution, or by a sovereign that guarantees the indebtedness or other commercial transactions of such an institution, could cause further market-wide liquidity problems which may adversely affect the profitability and business of the Macquarie Group.

***Regulatory changes or a failure to comply with regulatory standards, law or policies may adversely affect the Macquarie Group's business, operations or financial condition***

Some of the Macquarie Group's businesses are highly regulated, including regulation relating to prudential and liquidity requirements. Failure to comply with legal and regulatory requirements, including tax laws and regulations, and rules relating to corruption and illegal payments and money laundering, or government policies, may have an adverse effect on the Macquarie Group and its reputation among customers and regulators in the market.

The Macquarie Group is supervised by a number of different regulators. In Australia, the Macquarie Group's key regulators include APRA, the Reserve Bank of Australia ("RBA"), ASIC, ASX Limited<sup>1</sup> ("ASX"), the Australian Securities Exchange Limited<sup>2</sup> ("Australian Futures Exchange") and the Australian Competition Consumer Commission ("ACCC"). Outside Australia, some of the Macquarie Group's key regulators include the United States Securities Exchange Commission, the United Kingdom Financial Conduct Authority and Prudential Regulation Authority, the Hong Kong Monetary Authority, the Monetary Authority of Singapore, the Korean Financial Supervisory Service and the Bank of Korea.

Many of these regulators have broad administrative power to regulate and intervene in the operations of the businesses of the Macquarie Group. These broad administrative powers are generally designed to protect depositors and maintain the stability of the banking system as a whole. In particular, APRA has power under the Banking Act (a) to investigate the Macquarie Group's affairs and/or issue a direction to it (such as a direction to comply with a prudential requirement, to conduct an audit, to remove a director, executive officer or employee or not to undertake transactions), and (b) if Macquarie Bank becomes unable to meet its obligations or suspends payment (and in certain other limited circumstances), to appoint an "ADI statutory manager" to take control of Macquarie Bank's business. The exercise of these broad administrative powers by one or more regulators could have a material adverse effect on the Macquarie Group and its business, reputation, prospects, financial performance or financial condition.

Regulation is becoming increasingly more extensive and complex. Some areas of potential regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach. Such an approach may not appropriately respond to the specific requirements of the jurisdictions in which the Macquarie Group operates and, in addition, such changes may be inconsistently introduced across jurisdictions.

The Macquarie Group could also be adversely affected by future changes in legal, regulatory and compliance requirements (including requirements relating to licensing). In particular, any change in regulation of the Macquarie Group to increase the requirements for capital adequacy or liquidity, or a change in accounting standards could have an adverse effect on the Macquarie Group's businesses.

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<sup>1</sup> (as operator of the Australian Securities Exchange ('ASX') market)

<sup>2</sup> (as the operator of the ASX24 (formerly known as the Sydney Futures Exchange market))

Legal and regulatory requirements may also restrict the ability of subsidiaries of MGL to make dividend and other payments to MGL.

A number of regulatory changes have been implemented or proposed in various jurisdictions as a result of the global economic crisis, which may significantly alter the regulatory framework and may adversely affect the Macquarie Group's competitive position and profitability. In particular, APRA, the Basel Committee on Banking Supervision and regulators in other jurisdictions where the Macquarie Group has a presence have released discussion papers and in some instances final regulations in regard to strengthening the resilience of the banking and insurance sectors, including proposals to strengthen capital and liquidity requirements for the banking sector. In addition, the United States has passed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act which significantly affects financial institutions and financial activities in the United States. It is not possible to predict what further future regulatory or related changes may result from the global economic crisis or the effect any such changes would have on the Macquarie Group and its businesses.

***Future growth, including through acquisitions and other corporate transactions, or exiting or restructuring existing businesses may expose the Macquarie Group to additional risks and costs***

Future growth of the Macquarie Group, including through acquisitions, mergers and other corporate transactions, as well as planned business initiatives and expansions of existing businesses, may place significant demands on the Macquarie Group's risk management and operational infrastructure and result in increased expenses.

Activities to expand its operations may also bring the Macquarie Group into contact, directly or indirectly, with individuals and entities that are new clients, with new asset classes and other new products or new markets. These business activities expose the Macquarie Group to new and enhanced risks including reputation risks arising from dealing with a range of new counterparties and investors, along with these activities being exposed to the range of risks described in this Base Prospectus. If these risks eventuate, they may have a negative impact on the Macquarie Group's results, financial conditions or operations.

The Macquarie Group may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses.

With respect to acquisitions, the Macquarie Group may become subject to unknown liabilities of an acquired business, may not achieve expected synergies, cost savings or may otherwise incur losses. The Macquarie Group may lose market share or customers, or may face disruptions to operations and the Macquarie Group's management time may be diverted to facilitate the integration of acquired businesses.

***Changes and increased volatility in currency exchange rates may adversely impact the Macquarie Group's financial results and its financial and regulatory capital positions***

Investors should be aware that exchange rate movements may adversely impact the Macquarie Group's future financial results.

The Macquarie Group's financial statements are presented in Australian dollars. However a portion of the Macquarie Group's operating income is derived from offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian dollar is exchangeable for other currencies may adversely impact the Macquarie Group's financial results and operations and its regulatory capital and funding position. In particular, a depreciating Australian dollar increases the capital requirement for assets denominated in currencies other than Australian dollars. Further, where the Macquarie Group conducts business activities offshore, capital and funding are generally deployed locally and thus the Macquarie Group's capital is held in, and funding is sourced from, a broad range of currencies.

***The Macquarie Group's business is subject to the risk of loss associated with falling prices in the equity and other markets in which it operates***

Market risk is the exposure to adverse changes in the value of the Macquarie Group's trading portfolios as a result of changes in market prices or volatility, including risks arising from foreign exchange rates, interest rates, equities, commodities, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within and across markets. Any decline in global asset markets, including equity, property, and other asset markets, or in market liquidity, could require the Macquarie Group to hold its investment assets for longer, or sell these assets at a lower price than historically expected and this may impact the Macquarie Group's rate of return on these assets and require funding for longer periods than anticipated. If any of these occur, they may have an adverse impact on the Macquarie Group's results of operations and financial condition. In addition, a decline in asset prices could negatively impact the fees the Macquarie Group receives from funds that it manages and that it invests in such assets.

The Macquarie Group's trading income may be adversely impacted during times of subdued market conditions and client activity. Furthermore, declining asset prices could adversely impact the Macquarie Group's customers and the security the Macquarie Group holds against loans, which may impact the Macquarie Group's results of operations due to default. These risks may impact the value of financial instruments and other financial assets that are carried at fair market value.

***Failure of the Macquarie Group to maintain its credit ratings could adversely affect its cost of funds, liquidity, competitive position and access to capital markets***

Certain Macquarie Group entities are assigned credit ratings by various rating agencies based on an evaluation of a number of factors, including the Macquarie Group's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, diverse funding sources and disciplined liquidity monitoring procedures.

If one or more of these credit ratings were downgraded, suspended, withdrawn or placed on review, this could have the effect of increasing the cost of funds raised by the Macquarie Group from financial markets, reducing the Macquarie Group's ability to access certain capital markets, triggering the Macquarie Group's obligations under certain of its contracts, and/or adversely impacting the willingness of counterparties to deal with the Macquarie Group.

A rating downgrade, suspension, withdrawal or review could be driven by the occurrence of one or more of the risk factors described in this Base Prospectus or by other events.

***Competitive pressure, both in the financial services industry as well as in the other industries in which the Macquarie Group operates, could adversely impact its business and results of operation***

The Macquarie Group faces significant competition from local and international competitors, which compete vigorously for participation in the various markets and sectors across which the Macquarie Group operates. In particular, the Macquarie Group competes, both in Australia and internationally, with asset managers, retail and commercial banks, investment banking firms, and other investment and service firms. Any trend toward consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. The effect of competitive market conditions, especially in the Macquarie Group's main markets, products and services, may lead to an erosion in the Macquarie Group's market share or margins and adversely impact the Macquarie Group's business and results of operation.

### ***Movements in interest rates may affect earnings or the value of the Macquarie Group***

Interest rate risk arises from a variety of sources including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates may affect earnings or the value of the Macquarie Group.

### ***An increase in the failure of third parties to honour their commitments in connection with the Macquarie Group's trading, lending or other activities, including the funds that it manages, may adversely impact its business***

The Macquarie Group is exposed to the risk of financial loss as a result of failure by a client or other counterparty to meet its contractual obligations. The Macquarie Group assumes counterparty risk in connection with its lending, trading, derivatives and other businesses where it relies on the ability of a third party to satisfy its financial obligations to the Macquarie Group on a timely basis. The resultant credit exposure will depend on a number of factors, including the financial condition of the counterparty, the value of property the Macquarie Group holds as collateral and the market value of the counterparty instruments and obligations the Macquarie Group holds, as well as the extent to which the Macquarie Group hedges such credit exposures.

Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. To the extent the Macquarie Group's credit exposure increases, it could have an adverse effect on the Macquarie Group's business and profitability if material unexpected credit losses occur. The Macquarie Group is also subject to the risk that its rights against third parties may not be enforceable in all circumstances which may adversely impact the Macquarie Group's business and profitability.

### ***The Macquarie Group is exposed to operational risk, which may adversely affect its business, operations and financial condition***

The daily operations of the Macquarie Group may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risks including business decisions, technology risk (including failure of the Macquarie Group's business systems or those of its counterparties and service providers), fraud (including fraud or other misconduct by employees), compliance with legal and regulatory obligations, counterparty performance, business continuity planning, legal and litigation risk, environmental obligations, data integrity and processing risk, managing conflicts of interests and key person risk.

To mitigate the risks across the Macquarie Group's business activities, the Macquarie Group maintains third party insurance and self-insurance that it considers to be prudent for the scope and scale of its activities. If the Macquarie Group's insurance carriers fail to perform their obligations, the Macquarie Group's third party insurance cover is insufficient or its self-insurance is too great for a particular matter or group of related matters, its net loss could adversely impact its results and operations.

While the Macquarie Group has adopted policies and procedures to control exposure to, and limit the extent of, these risks, there are inherent limitations in any risk management control system and control breakdowns and system failures can occur.

Notwithstanding the foregoing, this risk factor should not be taken as implying that the Issuer or any other member of the Macquarie Group (as relevant) will be unable to comply with its obligations in respect of securities admitted to the Official List or (in the case of MBL) as a supervised firm regulated by the Financial Conduct Authority and Prudential Regulation Authority.

The Macquarie Group is also subject to the risk that its agreements do not reflect the commercial intent of the parties, especially for complex transactions, including those which involve derivatives.



***The Macquarie Group's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect the Macquarie Group's performance***

The Macquarie Group is reliant on the ability to hire and retain appropriately qualified staff. In order to do this, the Macquarie Group must compensate employees at or above market levels. Current or future laws or regulatory or public scrutiny may restrict the Macquarie Group's ability to move its staff from one jurisdiction to another or change the way the Macquarie Group remunerates its employees. If the Macquarie Group is unable to continue to attract and retain qualified employees, its performance, including its competitive position, could be materially adversely affected.

***The Macquarie Group is substantially dependent on its brand and reputation***

The Macquarie Group's ability to attract and retain customers is substantially dependent on its brand and reputation. If the Macquarie Group suffers damage to its reputation, including damage to the brands used by members of the Macquarie Group and the funds they manage, this could reduce business volume as clients might be reluctant to do business with the Macquarie Group due to their negative perceptions. Reputational issues can arise for many reasons, including actual or alleged breaches of regulation or conflicts of interests. This would adversely impact the Macquarie Group's earnings.

***The Macquarie Group's operations are exposed to potential tax liabilities that could have an adverse impact on its results of operation and reputation***

The Macquarie Group is exposed to risks arising from the manner in which Australian and international tax regimes may be applied and enforced, both in terms of its compliance and the tax aspects of transactions on which the Macquarie Group works with clients and other third parties. The Macquarie Group's international, multi-jurisdictional platform increases the Macquarie Group's tax risks. In addition, as a result of increased funding needs by governments employing fiscal stimulus measures, revenue authorities in many of the jurisdictions in which the Macquarie Group operates are known to have become more active in their tax collection activities.

While the Macquarie Group believes that it has in place controls and procedures that are designed to ensure that transactions involving third parties comply with applicable tax laws and regulations, any actual or alleged failure to comply with or any change in the interpretation, application or enforcement of applicable tax laws and regulations could adversely affect the Macquarie Group's reputation and affected business areas, significantly increase its own tax liability and expose the Macquarie Group to legal, regulatory and other actions.

***Litigation, regulatory actions and contingent liabilities may adversely impact the Macquarie Group's results of operations***

The Macquarie Group may, from time to time, be subject to material litigation, regulatory actions and contingent liabilities, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory violations, which, if they crystallise, may adversely impact upon the Macquarie Group's results of operation and financial condition in future periods or the Macquarie Group's reputation. The Macquarie Group regularly obtains legal advice and makes provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm the Macquarie Group's reputation or brand, thereby adversely affecting its business.

***The Macquarie Group's physical oil and commodities related activities expose it to the risk of unforeseen, hostile or catastrophic events that may expose it to significant liabilities and costs***

The Macquarie Group's physical oil and commodities-related activities are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside the Macquarie Group's control. These include natural and man-made disasters, accidents, terrorist attacks or other hostile or catastrophic events. In addition, the Macquarie Group relies on third party suppliers or service providers to perform their contractual obligations, and any failure on their part could adversely affect the Macquarie Group's business. In addition, the Macquarie Group may not be able to obtain insurance to cover some of these risks and the insurance that the Macquarie Group has obtained may be inadequate to cover its losses. The occurrence of any such events may prevent the Macquarie Group from performing under its agreements with clients, may impair its operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm.

***Poor performance of funds would cause a decline in the Macquarie Group's revenue and results of operations and may adversely affect the Macquarie Group's ability to raise capital for future funds***

The Macquarie Group's financial condition and results of operation are directly and indirectly affected by the results of the funds or the assets it manages, particularly the Macquarie Group's managed funds.

Revenue from these funds are derived principally from three sources: (i) management fees, based on assets under management; (ii) incentive income, based on the performance of the funds; and (iii) investment income based on investments in the funds. If the value of the managed funds decline, the assets under management would also decline, which would result in a decrease in management fees received by the Macquarie Group. If any of these funds perform poorly due to market conditions or underperformance by the Macquarie Group, this may cause a decline in assets under management and the Macquarie Group's revenue and results of operations. This may also adversely affect the Macquarie Group's ability to raise capital for future funds and may affect the Macquarie Group's brand and reputation.

***The Macquarie Group may experience writedowns of its funds management and other assets***

Market volatility has, in recent years, impacted the value of the Macquarie Group's assets, including managed funds. Future valuations, in light of factors then prevailing, may result in impairments to the investments in these funds. In addition, at the time of any sale of any investments in their funds, the price ultimately realised will depend on the demand in the market at the time and may be materially lower than their current market value. Any of these factors could require the Macquarie Group to make writedowns on its investments and assets, which may be significant and may have an adverse effect on the results of their operations and financial condition in future periods.

**(b) Risks relating to PD Debt Instruments and the market generally**

***Australian insolvency laws***

In the event that MGL becomes insolvent, insolvency proceedings will be governed by Australian law or the law of another jurisdiction determined in accordance with Australian law. Australian insolvency laws are, and the laws of that other jurisdiction can be expected to be, different from the insolvency laws of other jurisdictions. In particular, the voluntary administration procedure under the Corporations Act, which provides for the potential re-organisation of an insolvent company, differs significantly from similar provisions under the insolvency laws of other jurisdictions. If MGL becomes insolvent, the treatment and ranking of PD Debt Instrument Holders and MGL's shareholders under Australian law, and the laws of any other jurisdiction determined in accordance with Australian law, may be different from the treatment

and ranking of PD Debt Instrument Holders and MGL's shareholders if MGL were subject to the bankruptcy laws or the insolvency laws of other jurisdictions.

***The PD Debt Instruments do not have the benefit of any third party guarantees or security***

Investors should be aware that no guarantee is given in relation to the PD Debt Instruments by the shareholders of MGL or any other person. MGL is not an Australian ADI and the PD Debt Instruments are not guaranteed by Australia. Accordingly, in the event that MGL is unable to fulfil its obligations under the PD Debt Instruments, such obligations would not necessarily be assumed by any other person.

Investors should also be aware that the PD Debt Instruments and related Coupons will be unsecured obligations of the Issuer. To the extent the Issuer incurs secured obligations, the PD Debt Instruments will rank behind those secured obligations to the extent of the value of the property granted to secure those obligations. Consequently, any such secured obligations will rank senior in the right of payment to an investor of PD Debt Instruments to the extent of the value of the assets granted to secure those obligations.

***Subordinated PD Debt Instruments***

The obligation of the Issuer prior to the commencement of a winding up to make payments when due in respect of Subordinated PD Debt Instruments is conditional upon the Issuer being solvent immediately before and after payment by the Issuer. Furthermore, in the case of Subordinated PD Debt Instruments, if the Issuer is declared insolvent and a winding up is commenced, it will be required to pay the holders of Unsubordinated PD Debt Instruments and meet its obligations to all its other creditors (including unsecured creditors, but excluding any obligations in respect of subordinated debt which rank *pari passu* with, or after, the Subordinated PD Debt Instruments) in full before it can make any payments on Subordinated PD Debt Instruments. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due to investors under Subordinated PD Debt Instruments.

On 3 June 2013, Moody's announced it had placed on review for downgrade the subordinated debt ratings of eight Australian banks, including Macquarie Bank. In the announcement, Moody's noted the reviews were a result of it adopting a revised methodology that is driven by the conclusion that government policy to deal with ailing banks has evolved in way that makes support for subordinate debt issued by banks less probable than before. It confirmed the review was not in any way related to any observable deterioration of the fundamental credit quality of any of the affected banks. If, following its review, Moody's downgrades the subordinated debt of Macquarie Bank, this may have an adverse impact on the value and liquidity of its Subordinated PD Debt Instruments.

***Issue price and optional redemption risks***

An optional redemption feature is likely to limit the market value of PD Debt Instruments. During any period when MGL may elect to redeem the PD Debt Instruments, the market value of those PD Debt Instruments generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. MGL may be expected to redeem PD Debt Instruments when its cost of borrowing is lower than the interest rate on the PD Debt Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the PD Debt Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Modifications and waivers***

The Conditions contain provisions for calling meetings of PD Debt Instrument Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all PD Debt

Instrument Holders including PD Debt Instrument Holders who did not attend and vote at the relevant meeting and PD Debt Instrument Holders who voted in a manner contrary to the majority.

### *Change of Law*

The Conditions are based on the relevant law in effect as at the date of the issue of the relevant PD Debt Instruments. No assurance can be given as to the impact of any possible judicial decision, change to law or administrative practice after the date of issue of the relevant PD Debt Instruments, including developments which may require withholding or deduction to be made by MGL from payments of amounts due in respect of PD Debt Instruments (see "U.S. Foreign Account Tax Compliance Act" immediately below).

### *U.S. Foreign Account Tax Compliance Act*

Under Sections 1471-1474 of the U.S. Internal Revenue Code ("FATCA", enacted in 2010 as part of the Hiring Incentives to Restore Employment Act), certain foreign financial institutions (such as MGL) will be required to provide the U.S. Internal Revenue Service with information on accounts held by U.S. persons or be subject to a 30% U.S. withholding tax on all, or a portion of, certain payments it receives. Although the final form of these rules is unknown, MGL expects that compliance with FATCA will require substantial investment in a documentation and reporting framework. In the absence of compliance with FATCA, MGL could be exposed to a withholding tax which would reduce the cash available to be paid by MGL. In addition, under FATCA, MGL or other financial institutions through which payments on the PD Debt Instruments are made or through which an investor owns its PD Debt Instruments may be required to withhold amounts on the PD Debt Instruments if (i) there is a "non-participating" non-U.S. financial institution in the payment chain or (ii) the PD Debt Instruments are treated as "financial accounts" for purposes of FATCA and the investor does not provide certain information, which may include the name, address and taxpayer identification number with respect to direct and certain indirect U.S. investors.

Whilst the PD Debt Instruments are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the PD Debt Instruments are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the PD Debt Instruments) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

### **(c) Risks related to the market for PD Debt Instruments generally**

#### *The secondary market generally*

PD Debt Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their PD Debt Instruments easily or at prices that will provide them with a yield comparable to similar investments that

have a developed secondary market. This is particularly the case for PD Debt Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of PD Debt Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of PD Debt Instruments. No assurance of a secondary market or a market price for the PD Debt Instruments is provided by MGL.

In addition, PD Debt Instrument Holders should be aware of the risk that global credit market conditions may result in a general lack of liquidity in the secondary market for instruments similar to the PD Debt Instruments. Such lack of liquidity may result in investors suffering losses on the PD Debt Instruments in secondary resales even if there is no decline in the performance of the assets of MGL.

### *Listing*

An application will be made for the PD Debt Instruments issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such PD Debt Instruments to be admitted to trading on the Market. No assurance can be given that if and once listed, the PD Debt Instruments will at all times remain listed on the Official List or remain admitted for trading on the Market and it may not be possible to list the PD Debt Instruments on any other stock or securities exchange.

### *Exchange rate risks and exchange controls*

MGL will pay principal and interest on the PD Debt Instruments in the relevant specified currency ("**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the PD Debt Instruments, (2) the Investor's Currency-equivalent value of the principal payable on the PD Debt Instruments, and (3) the Investor's Currency-equivalent market value of the PD Debt Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

In addition, events may occur that, from a legal or practical perspective, make it impossible or not reasonably practicable to convert one currency into another currency, as may be required in order to make a determination or payment in respect of the PD Debt Instruments. The occurrence of such an inconvertibility event may result in payment under the PD Debt Instruments being delayed and/or an investor receiving payment in a currency other than the Specified Currency.

### *Interest rate risks*

Investment in fixed rate PD Debt Instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate PD Debt Instruments.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for interest-bearing securities issued at par value. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to interest-bearing securities issued at par value with comparable maturities.

PD Debt Instrument Holders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to an issue of PD Debt Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the PD Debt Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency.

(d) **Risks related to PD Debt Instruments denominated in Renminbi**

*Restrictions on cross-border Renminbi fund flows.*

There is limited availability of Renminbi outside of the PRC, which may affect the liquidity of the PD Debt Instruments denominated in Renminbi and the Macquarie Group's ability to source Renminbi outside of the PRC to service the PD Debt Instruments. As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Central Government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents, non-Hong Kong residents and specified business customers. The People's Bank of China ("PBOC"), the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July, 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "**Settlement Agreement**"), between the PBOC and Bank of China (Hong Kong) Limited ("**RMB Clearing Bank**"), to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, (i) all corporations are allowed to open Renminbi accounts in Hong Kong, (ii) there is no longer any limit (other than as provided in the following paragraph) on the ability of corporations to convert Renminbi; and (iii) there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong. However, the conversion of Renminbi by a Hong Kong resident is subject to a daily conversion limit of RMB20,000 per person. A Hong Kong resident who intends to convert an amount of Renminbi from or to another currency exceeding such daily conversion limit should therefore allow sufficient period to enable the currency conversion exceeding such daily conversion limit.

However, the current size of Renminbi-denominated financial assets outside the PRC remains limited. As at 31 March 2013, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB668.1 billion (source: Press Releases dated 30 April 2013 published by the Hong Kong Monetary Authority). In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25% of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for its customers. Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporates in relation to cross-border trade settlement and for individual customers who are Hong Kong residents with accounts in Hong Kong of up to RMB20,000 per person per day and for designated business customers relating to the Renminbi received in providing their services. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There can be no assurance that new PRC regulations will not be promulgated or that the Settlement Agreement will not be terminated or amended in the future, which could further restrict the availability of Renminbi outside of the PRC. The limited availability of Renminbi outside of the PRC may affect the liquidity of the PD Debt Instruments. To the extent the Macquarie Group is required to source Renminbi in the offshore market to service the PD Debt Instruments, there can be no assurance that the Macquarie Group will be able to source such Renminbi on satisfactory terms, if at all.

*The Renminbi is not fully freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC*

Renminbi is not fully freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover twenty provinces and cities in the PRC and was further expanded in August 2011 to (i) cover all provinces and cities in the PRC and (ii) make Renminbi trade and other current account item settlement available in all countries worldwide. The PRC regulatory authorities (including the PBOC, the Ministry of Commerce (“**MOFCOM**”) and the State Administration of Foreign Exchange (“**SAFE**”)) have issued certain PRC regulations on the remittance of Renminbi into the PRC for settlement of capital account items in the forms of cross-border transfers of capital and direct investments in Renminbi, and foreign investors may only remit offshore Renminbi into the PRC for direct investments with Renminbi that it has generated from cross-border trade settlement, that is lawfully remitted out of the PRC or that is lawfully obtained by it outside the PRC upon obtaining the approvals required under the regulations issued or to be issued by the relevant PRC authorities.

In 2011, the PRC government issued certain new rules imposing significant restrictions on the remittance of Renminbi into and out of the PRC, including, among other things, restrictions on the remittance of Renminbi into the PRC by way of direct investments or loans. On February 25, 2011, MOFCOM promulgated the Circular on Issues concerning Foreign Investment Management (the “**MOFCOM Circular**”). Under the MOFCOM Circular, if a foreign investor intends to make investments in the PRC with Renminbi funds generated from cross-border trade settlement or otherwise lawfully obtained outside the PRC, whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise or providing loan facilities, prior written consent from MOFCOM (Foreign Investment Department) is required. On 3 June 2011, the PBOC issued the PBOC Circular. Pursuant to the PBOC Circular, if a foreign investor intends to make investments in the PRC with Renminbi funds it lawfully obtained outside the PRC, whether by way of establishing a new enterprise, increasing the registered capital of an existing enterprise, acquiring an onshore enterprise (excluding any round-tripping acquisition) or providing loan facilities, it shall, in addition to the approval from MOFCOM (Foreign Investment Department) in accordance with the MOFCOM Circular, also obtain an approval from the PBOC. On 12 August 2011, MOFCOM issued the Notice of Issues concerning Cross-border Direct Investment in Renminbi, in addition to providing that normal foreign investment approval process, Renminbi inbound direct investment is also subject to Renminbi source verification by MOFCOM. To facilitate Renminbi inbound direct investments by foreign investors, MOFCOM promulgated the Circular on Issues Concerning Cross-Border Renminbi Direct Investment on 12 October 2011, and the PBOC issued the Administrative Measures on Settlement of Cross-Border Renminbi Direct Investment on 13 October 2011.

*The investment in the PD Debt Instruments denominated in Renminbi is subject to exchange rate and interest rate risks*

The value of Renminbi against the Hong Kong dollar and other foreign currencies fluctuates, and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to the PD Debt Instruments will be made in Renminbi. As a result, the value of these Renminbi payments in Hong Kong Dollar terms may vary with the prevailing exchange rates in the marketplace. For example, an investor purchasing the PD Debt Instruments will be required to convert Hong Kong Dollars (or other relevant currency) to Renminbi at the then-current exchange rate. If the value of the Renminbi depreciates against the Hong Kong Dollar (or other relevant currency) between the date that a PD Debt Instrument Holder purchases the PD Debt Instruments and the maturity date of the PD Debt Instruments, the value of the PD Debt Instrument Holder's investment will decrease accordingly.

*Payments in respect of the PD Debt Instruments denominated in Renminbi will only be made to investors in the manner specified in the PD Debt Instruments*

All payments to investors in respect of the PD Debt Instruments will be made solely by (i) when the PD Debt Instruments are represented by global certificates, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of the Central Moneymarkets Unit Service ("CMU Service"), or (ii) when the PD Debt Instruments are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).



## General Description of the Programme

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*The following overview is a general description only and should be read, in relation to any PD Debt Instruments, in conjunction with the Final Terms and, to the extent applicable, the Conditions. This overview is qualified in its entirety by the remainder of this Base Prospectus and any decision to invest in the PD Debt Instruments should be based on a consideration of this Base Prospectus as a whole, including, without limitation, the “Risk Factors” on pages 24 to 37 inclusive of this Base Prospectus and the documents incorporated by reference into this Base Prospectus (see “Documents incorporated by reference” on pages 44 and 45 of this Base Prospectus). Words or expressions defined or used in the Conditions, shall, unless the contrary intention appears, have the same meaning in this overview.*

**Issuer:** Macquarie Group Limited (ABN 94 122 169 279), a corporation constituted with limited liability under the laws of Australia.

MGL is a diversified financial services holding company listed on the Australian Securities Exchange operated by ASX, headquartered in Sydney, Australia and regulated as a non-operating holding company of an ADI by APRA. The Macquarie Group provides banking, financial, advisory, investment and funds management services through client driven businesses which generate income by providing a diversified range of services to clients. The Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world

**Description:** Debt Instrument Programme.

**Arranger:** Macquarie Group Limited.

**Dealers:** Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  
Barclays Bank PLC  
Citibank International plc  
Commonwealth Bank of Australia (ABN 48 123 123 124)  
Credit Suisse Securities (Europe) Limited  
Deutsche Bank AG, London Branch  
HSBC Bank plc  
ING Bank N.V.  
J.P. Morgan Securities plc  
Macquarie Bank International Limited  
Macquarie Bank Limited (ABN 46 008 583 542)  
Merrill Lynch International  
National Australia Bank Limited (ABN 12 004 044 937)  
SMBC Nikko Capital Markets Limited  
Standard Chartered Bank  
The Royal Bank of Scotland plc  
Westpac Banking Corporation (ABN 33 007 457 141).

MGL may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of a Tranche or in respect of the whole Programme.

**Agents:** Deutsche Bank AG, London Branch has been appointed as an issuing and paying agent (“**I&P Agent**”).

Deutsche Bank AG, Hong Kong Branch has been appointed as CMU lodging agent (“**CMU Lodging Agent**”).

No trustee or other organisation has been appointed to represent investors in PD Debt Instruments issued under the Programme.

Programme:	A fully revolving non-underwritten programme allowing for the issuance of debt obligations (subject to applicable legal and regulatory restrictions) as specified in the relevant Final Terms (if any) or (in other cases) as agreed between MGL and the relevant Dealer(s).
Programme Limit:	Up to U.S.\$10,000,000,000 (or its approximate equivalent in other currencies) at the date of this Base Prospectus. The aggregate principal amount of PD Debt Instruments which may be outstanding at any time (being the Programme Limit) may be increased by MGL in accordance with the Dealer Agreement (as defined in “Subscription and Sale” on pages 122 to 131, inclusive of this Base Prospectus).
Distribution:	PD Debt Instruments may be distributed on a syndicated or non-syndicated basis.
Programme Term:	The Programme will not have a fixed maturity date. The Programme may be cancelled on 30 days’ notice by MGL to the Dealers and Agents.
Method of Issue:	MGL may from time to time issue PD Debt Instruments in one or more Tranches within one or more Series.
Maturities:	Subject to compliance with all relevant laws and rules, PD Debt Instruments may have any maturity of one year or more as specified in the relevant Final Terms (if any) or (in other cases) as agreed between MGL and the relevant Dealer(s).
Issue Price:	PD Debt Instruments may be issued at an issue price which is at par or at a discount to, or premium over, par, and will be specified in the relevant Final Terms (if any) or (in other cases) as agreed between MGL and the relevant Dealer(s).
Final Terms:	Each Final Terms will provide particular information relating to a particular Tranche of PD Debt Instruments including details of the form of the PD Debt Instruments, the Series in which the PD Debt Instruments will be issued and other information pertinent to the issue of those PD Debt Instruments.
Deed of Covenant:	PD Debt Instrument Holders will have the benefit of the Master Deed of Covenant (or such other deed of covenant as is specified in the relevant Final Terms).

Form of PD Debt Instruments: The form of particular PD Debt Instruments will be determined by MGL and the relevant Dealer(s) prior to their issue date. PD Debt Instruments of any Series may be described by any marketing name agreed between MGL and the relevant Dealer(s) and as specified in the relevant Final Terms (if any). See “Form of PD Debt Instruments” on pages 79 to 83 inclusive of this Base Prospectus.

PD Debt Instruments will be issued in one or more tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). Tranches of PD Debt Instruments within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

Each Series of PD Debt Instruments will (a) be represented on issue by a temporary global debt instrument in bearer form without coupons or talons (each a “**Temporary Global PD Debt Instrument**”) or a permanent global debt instrument in bearer form (each a “**Permanent Global PD Debt Instrument**”) (together, “**Global PD Debt Instruments**”), or (b) take the form of an entry in a register (“**Registered PD Debt Instrument**”).

Global PD Debt Instruments may (or, in the case of PD Debt Instruments listed on the London Stock Exchange, will) be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or, in the case of PD Debt Instruments cleared through the CMU Service, a sub-custodian for the CMU Service.

The provisions governing the exchange of interests in Global PD Debt Instruments for other Global PD Debt Instruments and definitive PD Debt Instruments are described in “Form of PD Debt Instruments” on pages 79 to 83 inclusive of this Base Prospectus. No certificate or other evidence of title will be issued in respect of Registered PD Debt Instruments unless MGL determines that certificates should be available or it is required to do so pursuant to applicable law or regulation.

Use of Proceeds: Proceeds realised from the issuance of a Tranche of PD Debt Instruments will be used by MGL for the Macquarie Group’s general corporate purposes.

Currencies: Subject to any applicable legal or regulatory requirements, such currencies as may be agreed between MGL and the relevant Dealer(s), including, without limitation, Australian Dollars, U.S. Dollars, Yen, Sterling, Euro, Renminbi or any other currency.

Status of the PD Debt Instruments: PD Debt Instruments and any relative Coupons will be direct, unsecured and general obligations of MGL.

PD Debt Instruments of a Series may be either:

- (a) subordinated PD Debt Instruments (“**Subordinated PD Debt Instruments**”); or
- (b) unsubordinated PD Debt Instruments (“**Unsubordinated PD Debt Instruments**”).

Unsubordinated PD Debt Instruments will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of MGL, present and future (other than obligations preferred by mandatory provisions of law).

Unless provided to the contrary in the relevant Final Terms (if any), Subordinated PD Debt Instruments will rank *pari passu*, without any preference among themselves, and will in a winding-up of MGL be subordinated in right of payment to the claims of Senior Creditors as more fully described in Condition 4.

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits, protected accounts, or other liabilities of its subsidiary, Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

Interest-bearing Debt  
Instruments:

Interest will be payable on Fixed Rate PD Debt Instruments, Floating Rate PD Debt Instruments, Fixed/Floating Interest Rate Basis PD Debt Instruments and other PD Debt Instruments bearing interest at a fixed or floating rate on such basis and on such date or dates as may be agreed between MGL and the relevant Dealer(s) (as is specified in the applicable Final Terms (if any) or (in other cases) as agreed between MGL and the relevant Dealer(s)) and on redemption.

Redemption:

The applicable Final Terms (if any) will specify either that the relevant PD Debt Instruments cannot be redeemed prior to their stated maturity (other than for taxation or capital treatment reasons as set out in Conditions 6.4, 6.5 and 6.6 or following an Event of Default) or that such PD Debt Instruments will be redeemable at the option of MGL and/or the PD Debt Instrument Holders upon giving notice to such PD Debt Instrument Holders or MGL, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as may be agreed between MGL and the relevant Dealer(s).

Denominations:

Subject to all applicable laws and rules and a minimum amount of EUR1,000 (or its equivalent in other currencies), PD Debt Instruments will be issued in such denominations as specified in the relevant Final Terms (if any) or (in other cases) as agreed between MGL and the relevant Dealer(s).

Cross Default:

None.

Negative Pledge:

As provided in Condition 4.4, the terms of the PD Debt Instruments issued on an unsubordinated basis contain a negative pledge provision which prevents the Issuer, whilst there are any Unsubordinated PD Debt

Instruments outstanding, from creating or permitting to subsist any mortgage, charge pledge, lien or other form of encumbrance or security interest (“**Security Interest**”) upon the whole or any part of its present or future assets or revenues as security for any relevant indebtedness, guarantee or indemnity unless (i) the Issuer grants such Security Interest that will result in its obligations under the PD Debt Instruments being secured equally and rateably in all respects so as to rank equally with all applicable relevant indebtedness or guarantee or (ii) the granting of such Security Interest has been approved by an Extraordinary Resolution.

**Withholding Tax:**

All payments by MGL in respect of the PD Debt Instruments will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Australia or Victoria, or, in each case, any political subdivision thereof or any authority therein or thereof, subject to customary exceptions as provided in Condition 8 or as otherwise specified in the Master Deed of Covenant (or such other deed of covenant as is specified in the relevant Final Terms).

See “Australian Taxation” on pages 132 to 139 inclusive of this Base Prospectus for further information.

**Rating:**

One or more independent rating agencies may assign credit ratings to the PD Debt Instruments to be issued by MGL under the Programme. The rating(s) (if any) of the PD Debt Instruments will be specified in the applicable Final Terms. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the PD Debt Instruments.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

There are references in this Base Prospectus to credit ratings. In Australia, Credit Ratings must only be distributed to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Base Prospectus and anyone who receives this Base Prospectus must not distribute it to any person who is not entitled to receive it.

**Governing Law:**

The PD Debt Instruments will be governed by the laws of New South Wales or English law in accordance with the Master Deed of Covenant. The Agency Agreement will be governed by the laws of New South Wales.

Listing and Admission to  
Trading:

Application has been made for the PD Debt Instruments issued under the Programme to be admitted to the Official List and to the London Stock Exchange and for such PD Debt Instruments to be admitted to trading on the Market. The Market is a regulated market for the purposes of the Markets in Financial Instruments Directive.

Selling and Transfer  
Restrictions:

The offering, sale, delivery and transfer of PD Debt Instruments and the distribution of this Base Prospectus and other material in relation to any PD Debt Instruments are subject to restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of PD Debt Instruments including, in particular, restrictions in Australia, the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the PRC, Malaysia, Mexico and Taiwan. See “Subscription and Sale” on pages 122 to 131 inclusive of this Base Prospectus.

In addition, the PD Debt Instruments may be subject to certain restrictions on resales and transfers in the sections headed “Important Notice” on pages 1 to 9 inclusive of this Base Prospectus and “Representations and Warranties of Investors” on page 10 of this Base Prospectus.

## Documents incorporated by reference

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The documents described below, each of which has been previously published and filed with the Financial Conduct Authority, shall be incorporated in and form part of this Base Prospectus, save that any statement contained in any document, or part of a document, which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any document or other information incorporated by reference in any of the documents described below does not form part of this Base Prospectus.

### **MGL audited consolidated annual financial statements and auditor's reports**

The audited consolidated annual financial statements of MGL and its controlled entities for the financial years ended 31 March 2012 and 31 March 2013, and the auditor's report in respect of such annual consolidated financial statements, which are set out in, and form part of, the 2012 annual report and 2013 annual report of MGL, shall be deemed to be incorporated in, and form part of, this Base Prospectus.

The audited consolidated annual financial statements of MGL and its controlled entities for the financial years ended 31 March 2012 and 31 March 2013 comprise the Income Statements, Statements of Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity, Statements of Cash Flows, Notes to the Financial Statements and the Directors' Declaration as set out in the 2012 annual report and 2013 annual report of MGL. The audited consolidated annual financial statements and the Independent Audit Report can be located in the 2013 annual report (and in the case of the financial year ended 31 March 2012, also in the 2012 annual report) on the following pages:

	2013 Annual Report	2012 Annual Report
Income Statements	89	96
Statements of Comprehensive Income	90	97
Statements of Financial Position	91	98-99
Statements of Changes in Equity	92 – 93	100-101
Statements of Cash Flows	94 – 95	102-103
Notes to the Financial Statements	96 – 201	104-207
Directors' Declaration	202	208
Independent Audit Report	203 – 204	209-210

See "Selected Financial Information" on pages 119 to 121 inclusive of this Base Prospectus for further information on the audited consolidated annual financial statements of MGL and its controlled entities.

### **Previous Terms and Conditions**

The Terms and Conditions of the PD Debt Instruments set out on:

- pages 35 to 65 of the Base Prospectus dated 14 June 2012 relating to the Programme
- pages 34 to 64 of the Base Prospectus dated 7 July 2011 relating to the Programme;

- pages 29 to 58 of the Base Prospectus dated 9 July 2010 relating to the Programme; and
  - pages 28 to 57 of the Base Prospectus dated 16 September 2009 relating to the Programme,
- are incorporated in, and form part of, this Base Prospectus.

\* \* \* \* \*

Any information not forming part of the audited annual financial statements of MGL and MGL consolidated with its controlled entities for the financial years ended 31 March 2012 and 31 March 2013, and the auditor's report in respect of such annual financial statements, but included in the 2012 annual report and 2013 annual report of MGL is not incorporated in, and does not form part of, this Base Prospectus.

Any non-incorporated parts of a document incorporated by reference herein which is not incorporated in, and does not form part of, this Base Prospectus is either not relevant for investors or is contained elsewhere in this Base Prospectus.

MGL will provide, without charge, upon the written request of any person, a copy of any or all of the documents which, or portions of which, are incorporated in this Base Prospectus by reference. Written requests for such documents should be directed to MGL at its office set out at the end of this Base Prospectus. In addition, such document will be available for inspection and available free of charge at the offices of Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2 2DB, England or, in relation to PD Debt Instruments cleared through the CMU Service, at the offices of Deutsche Bank AG, Hong Kong Branch, 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

Documents incorporated in this Base Prospectus by reference are also available on the internet site [www.macquarie.com.au](http://www.macquarie.com.au).

All information which MGL has published or made available to the public in compliance with its obligations under the laws of Australia dealing with the regulation of securities, issuers of securities and securities markets has been released to the ASX in compliance with the continuous disclosure requirements of the ASX Listing Rules. Announcements made by MGL under such rules are available on ASX's internet site [www.asx.com.au](http://www.asx.com.au) (MGL's ASX code is "MQG").

Internet site addresses in this Base Prospectus are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Base Prospectus.



## Terms and Conditions

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*The following (save for the italicised text) is a composite text of the terms and conditions which (subject to completion of the relevant Final Terms) will be applicable to each Series of PD Debt Instruments. The terms of the Agency Agreement (as defined below) and the Master Deed of Covenant dated 16 September 2009 ("**Master Deed of Covenant**") will apply to each Series of PD Debt Instruments unless the provisions of the relevant Final Terms provide otherwise.*

*References in the terms and conditions to "PD Debt Instruments" are, unless the contrary intention appears, references to the PD Debt Instruments of one Series of the type specified in the relevant Final Terms only, not to all PD Debt Instruments which may be issued under the Programme. Terms used in the relevant Final Terms will have the same meaning where used in the terms and conditions.*

*Macquarie Group Limited is not an authorised deposit-taking institution ("**ADI**") for the purposes of the Banking Act 1959 of Australia ("**Banking Act**"), and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Group Limited.*

*The following seven paragraphs apply to PD Debt Instruments, which are specified in the relevant Final Terms as being issued with the benefit of both the Agency Agreement and the Master Deed of Covenant.*

The PD Debt Instruments are issued with the benefit (to the extent applicable) of an amended and restated agency agreement (as amended, restated or supplemented from time to time) ("**Agency Agreement**") dated on or about 7 July 2011 between Macquarie Group Limited ("**Issuer**" or "**MGL**") and Deutsche Bank AG, London Branch in its capacity as an issuing and paying agent ("**I&P Agent**" and "**Paying Agent**", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and Deutsche Bank AG, Hong Kong Branch as CMU lodging agent ("**CMU Lodging Agent**", which expression shall include any successor to Deutsche Bank AG, Hong Kong Branch in its capacity as such).

The expression "**Agents**" shall include each I&P Agent, CMU Lodging Agent and any transfer agent ("**Transfer Agent**"), and any registrar ("**Registrar**") and any other paying agents subsequently appointed ("**Paying Agents**"), successors thereto in such capacity and any additional or substitute agents appointed to MGL's Debt Instrument Programme ("**Programme**") from time to time. The PD Debt Instrument Holders (as defined in Condition 2.3 below, which expression includes, unless the contrary intention appears, the holders of the coupons ("**Coupons**") (if any) appertaining to interest-bearing PD Debt Instruments in bearer form ("**Couponholders**") and the holders of talons ("**Talons**") (if any) for further coupons attached to such PD Debt Instruments ("**Talonholders**")) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

The Final Terms for this PD Debt Instrument are attached to this PD Debt Instrument or endorsed on this PD Debt Instrument, specifies the Issuer and the type of PD Debt Instrument and completes these terms and conditions ("**Conditions**"). References in these Conditions to the "**relevant Final Terms**" are to the Final Terms setting out the final terms of this PD Debt Instrument which is attached to, endorsed on, or otherwise applicable to this PD Debt Instrument.

As used in these Conditions, "**Series**" means each original issue of PD Debt Instruments together with any further issues expressed to form a single Series with the original issue and the terms of which (save for the issue or deposit date ("**Issue Date**")), the date from which interest accrues ("**Interest Commencement Date**"), the issue price of the PD Debt Instruments ("**Issue Price**") and the amount of the first interest payment (if any) (as specified in the relevant Final Terms)) are identical. However, the Final Terms for this PD Debt Instrument may provide that a particular Tranche will not become fungible with PD Debt Instruments of another Tranche or Tranches forming part of the same Series until the time specified in the Final Terms. As used in these Conditions, "**Tranche**" means all PD Debt Instruments of the same Series with the same Issue Date and Interest Commencement Date and the aggregate nominal amount ("**Aggregate Nominal Amount**") of which shall be specified in the Final Terms.

For the purposes of these Conditions (other than in relation to the determination of interest and other amounts payable in respect of the PD Debt Instruments) a reference to the I&P Agent shall, with respect to PD Debt Instruments held through the Central Moneymarkets Unit Service ("**CMU Service**"), be deemed to be a reference to the CMU Lodging Agent and all such references shall be construed accordingly.

All references in these Conditions to PD Debt Instruments, Coupons and Talons must be read and construed as references to the PD Debt Instruments, Coupons and Talons of a particular Series.

Words and expressions defined in the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Conditions unless the contrary intention appears.

Copies of the Agency Agreement and the Final Terms applicable to this PD Debt Instrument are obtainable from and, available for inspection during normal business hours at, the specified office of each I&P Agent and the other Paying Agents. The PD Debt Instrument Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Final Terms which are applicable to them.

*Prior to the issue of any Registered PD Debt Instruments (as defined below), the Issuer will appoint a Registrar and will appoint and maintain, a London Transfer Agent.*

## **1 Form and Denomination**

### **1.1 General**

References in these Conditions to "PD Debt Instruments" are references to the type of PD Debt Instrument specified in the relevant Final Terms. For the avoidance of doubt, where certain Conditions are expressed to only apply to certain types of PD Debt Instrument, such Conditions only apply to that type of PD Debt Instrument as specified in the relevant Final Terms and do not apply to other types of PD Debt Instrument.

PD Debt Instruments are issued in bearer form ("**Bearer PD Debt Instruments**") and/or in registered form ("**Registered PD Debt Instruments**"), as specified in the relevant Final Terms. In these Conditions and unless the contrary intention appears, references to "**PD Debt Instruments**" are to Bearer PD Debt Instruments and Registered PD Debt Instruments.

Prior to the issue of any Registered PD Debt Instruments (as defined below), the Issuer will appoint a Registrar.

### **1.2 Type of PD Debt Instruments**

Each PD Debt Instrument may be a Fixed Rate PD Debt Instrument, a Floating Rate PD Debt Instrument, a Fixed / Floating Interest Rate Basis PD Debt Instrument, a Zero Coupon PD Debt Instrument or a combination of any of the foregoing, as specified in the relevant Final Terms.

### **1.3 Form of Bearer PD Debt Instruments**

Interest-bearing Bearer PD Debt Instruments in definitive form will be serially numbered and issued with Coupons (and where appropriate, a Talon) attached, other than in the case of PD Debt Instruments which do not carry an entitlement to periodic payment of interest prior to the redemption date of such PD Debt Instruments and which are issued at a discount to their face value ("**Zero Coupon PD Debt Instruments**") (in which case references to interest (other than in relation to interest due after the redemption date), Coupons and Talons in these Conditions are not applicable). On or after the date on which all the Coupons attached to, or issued in respect of, any Bearer PD Debt Instrument which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation of the relevant Talon at the specified office of any Agent in accordance with Condition 7.1.6.

## 1.4 Form of Registered PD Debt Instruments

Registered PD Debt Instruments are constituted by the Deed of Covenant specified in the relevant Final Terms. Copies of the Deed of Covenant are available for inspection at the office of the Registrar. PD Debt Instrument Holders of such Registered PD Debt Instruments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed of Covenant.

Unless otherwise specified in the relevant Final Terms, where PD Debt Instruments are issued in registered form, no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or the Issuer is required to do so pursuant to any applicable law or regulation. Each certificate represents a holding of one or more such PD Debt Instruments by the same PD Debt Instrument Holder.

## 1.5 Denomination

PD Debt Instruments will be in the denomination or denominations specified in the relevant Final Terms or integral multiples thereof ("**Specified Denomination**"). Bearer PD Debt Instruments of one denomination may not be exchanged for Bearer PD Debt Instruments of another denomination.

## 1.6 Currency of PD Debt Instruments

Subject to compliance with all applicable legal and/or regulatory requirements, PD Debt Instruments may be denominated in the lawful currency of the Commonwealth of Australia ("**Australian Dollars**" or "**A\$**"), the lawful currency of the United States of America ("**U.S. Dollars**" or "**U.S.\$**"), the lawful currency of Japan ("**Yen**"), the lawful currency of the United Kingdom ("**Sterling**"), the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union ("**Euro**"), the lawful currency of the People's Republic of China ("**Renminbi**" or "**RMB**") as specified in the relevant Final Terms ("**Specified Currency**").

## 2 Title

### 2.1 Title to Bearer PD Debt Instruments, Coupons and Talons

Title to Bearer PD Debt Instruments, Coupons and Talons passes by delivery.

### 2.2 Title to Registered PD Debt Instruments

Title to Registered PD Debt Instruments passes by registration in the register ("**Register**") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

### 2.3 Title - general

In these Conditions, subject as provided below, "**PD Debt Instrument Holder**" means:

- (a) (in relation to a PD Debt Instrument, Coupon or Talon) the bearer of any Bearer PD Debt Instrument, Coupon or Talon (as the case may be); or
- (b) the person in whose name a Registered PD Debt Instrument is registered, as the case may be.

A PD Debt Instrument Holder will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered PD Debt Instrument, a duly executed transfer of such PD Debt Instrument) and no person will be liable for so treating the PD Debt Instrument Holder.

### **3 Exchanges of Bearer PD Debt Instruments for Registered PD Debt Instruments and transfers of Registered PD Debt Instruments**

#### **3.1 Exchange of Bearer PD Debt Instruments**

Subject to Condition 3.6, Bearer PD Debt Instruments may, if so specified in the relevant Final Terms, be exchanged for the same aggregate principal amount of Registered PD Debt Instruments at the request in writing of the relevant PD Debt Instrument Holders and upon surrender of the Bearer PD Debt Instrument to be exchanged together with all unmatured Coupons and Talons relating to it (if any) at the specified office of the Registrar or the specified office of the Transfer Agent. Without limiting the previous sentence, the relevant Final Terms may specify that Bearer PD Debt Instruments may be exchanged for Registered PD Debt Instruments only with the prior written approval of the Issuer or such other or additional persons as are specified in such Final Terms. Where, however, a Bearer PD Debt Instrument is surrendered for exchange after the Record Date (as defined in Condition 7.2.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered PD Debt Instruments may not be exchanged for Bearer PD Debt Instruments.

#### **3.2 Transfer of Registered PD Debt Instruments**

A Registered PD Debt Instrument may be transferred in whole but not in part upon the surrender of the relevant certificate by which such Registered PD Debt Instrument is represented (if the PD Debt Instrument is certificated), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or the specified office of the Transfer Agent. In the case of a certificated PD Debt Instrument, a new certificate will be issued to the transferee and in the case of a transfer of a Registered PD Debt Instrument which forms part only of a holding represented by a certificate, a new certificate in respect of the balance not transferred will be issued to the transferor.

Bearer PD Debt Instruments will not be exchanged for Registered PD Debt Instruments nor will Registered PD Debt Instruments be transferred if the exchangee or transferee is an Australian resident, or a non-Australian resident that holds the PD Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and fails to provide a tax file number ("TFN"), Australian Business Number ("ABN"), or evidence that the exchangee or transferee (as the case may be) is not required to provide a TFN or ABN.

*The forms of exchange and transfer will require the exchangee or transferee (as the case may be) to certify whether or not such person is an Australian resident, or a non-Australian resident that holds the PD Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and, if so, to provide a TFN or ABN or evidence that such person is not required to provide a TFN or ABN.*

#### **3.3 Partial redemption or exercise of options in respect of Registered PD Debt Instruments**

In the case of a partial redemption of a holding of Registered PD Debt Instruments represented by a single certificate or a partial exercise of the Issuer's or PD Debt Instrument Holders' option to redeem in respect of a holding of Registered PD Debt Instruments represented by a single certificate, a new certificate will be issued to the PD Debt Instrument Holder in respect of the balance of the holding not redeemed or in respect of which the relevant option has not been exercised. In the case of a partial exercise of an option resulting in Registered PD Debt Instruments of the same holding having different terms, separate certificates shall be issued in respect of those PD Debt Instruments of that holding that have the same terms. New certificates shall only be issued against surrender of the existing certificates to the Registrar or the Transfer Agent.

#### **3.4 Delivery of new certificates representing Registered PD Debt Instruments**

In the case of certificated Registered PD Debt Instruments, each new certificate to be issued upon exchange of Bearer PD Debt Instruments or transfer of Registered PD Debt Instruments will, within three Business Days (in the place of the specified office of the Registrar and the specified office of the Transfer Agent) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Registrar and the specified office of the Transfer Agent, or be mailed at the risk of the PD Debt

Instrument Holder entitled to the Registered PD Debt Instrument, to such address as may be specified in such request or form of transfer.

### 3.5 Exchange free of charge

Registration of PD Debt Instruments on exchange of Bearer PD Debt Instruments for Registered PD Debt Instruments or transfer of Registered PD Debt Instruments will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent (other than any insurance charges or any expenses of delivery (if applicable) by other than regular mail), but upon payment of (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

### 3.6 Closed periods

No PD Debt Instrument Holder may require the transfer of a Registered PD Debt Instrument to be registered or a Bearer PD Debt Instrument to be exchanged for a Registered PD Debt Instrument:

- (a) during the period of 15 days ending on the due date for any payment of principal or redemption amount on that PD Debt Instrument;
- (b) during the period of 15 days before any drawing of PD Debt Instruments for redemption under Condition 6.2; or
- (c) after any such PD Debt Instrument has been drawn for redemption in whole or in part.

## 4 Status and Negative Pledge

### 4.1 Status

The PD Debt Instruments and Coupons are direct and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. PD Debt Instruments of a Series may be either:

- (a) subordinated ("**Subordinated PD Debt Instruments**"); or
- (b) unsubordinated ("**Unsubordinated PD Debt Instruments**").

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

### 4.2 Status of Subordinated PD Debt Instruments

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 4.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated PD Debt Instruments. Any amendment to this Condition 4.2 will be set out in the relevant Final Terms.*

- (a) Subordinated PD Debt Instruments and Coupons rank *pari passu* with all other unsecured Subordinated Indebtedness (as defined in paragraph (c) below) of the Issuer, except liabilities mandatorily preferred by law.
- (b) The rights and claims of the PD Debt Instrument Holders are, in a Winding-Up (as defined in paragraph (c) below) of the Issuer, subordinated to the claims of Senior Creditors (as defined in paragraph (c) below) of the Issuer and prior to the commencement of a Winding-Up of the Issuer:
  - (i) the obligations of the Issuer to make payments of the principal, redemption amount, interest or other amounts in respect of the Subordinated PD Debt Instruments and all other amounts owing in relation to the Subordinated PD Debt Instruments shall be

conditional upon the Issuer being solvent at the time the payments and other amounts owing fall due; and

- (ii) no payment of principal, redemption amount, interest or any other amount shall be made in respect of the Subordinated PD Debt Instruments, except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

For the purposes of this paragraph, the Issuer shall be considered solvent if:

- (A) it is able to pay its debts as they fall due; and
- (B) its Assets (as defined in paragraph (c) below) exceed its Liabilities (as defined in paragraph (c) below).

A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer or, if the Issuer is being wound up, its liquidator, shall be prima facie evidence of the information contained in that certificate. In the absence of such a certificate, a PD Debt Instrument Holder shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment aforesaid be solvent.

For the avoidance of any doubt, any amount not paid as a consequence of this Condition 4.2(b) accumulates without compounding and remains a debt owing to the PD Debt Instrument Holder by the Issuer until it is paid and shall be payable on the first date on which sub-paragraphs (i) and (ii) of this Condition 4(b) would not apply (whether or not such date is otherwise a payment date).

*The obligation of the Issuer prior to the commencement of a Winding-Up of the Issuer to make payments when due in respect of the Subordinated PD Debt Instruments is conditional upon the Issuer being solvent immediately before and after payment by the Issuer.*

- (c) For the purposes of this Condition 4.2, the following terms shall have the following meanings:

**“Assets”** means the total consolidated gross assets of the Issuer as shown by the latest published audited accounts of the Issuer but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditors to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;

**“Liabilities”** means the total consolidated gross liabilities of the Issuer as shown by its latest published audited accounts but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditors to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;

**“Senior Creditors”** means all the creditors (present and future) including depositors of the Issuer:

- (i) whose claims are admitted in the Winding-Up of the Issuer; and
- (ii) who are not the holders of indebtedness, the right to repayment of which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims by all unsubordinated creditors of the Issuer.

**“Subordinated Indebtedness”** means any indebtedness (present and future) of the Issuer which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims of its Senior Creditors; and

**“Winding-Up”** means any procedure whereby the Issuer may be wound-up, dissolved, liquidated or cease to exist as a body corporate whether brought or instigated by a PD Debt Instrument Holder or any other person, but excludes any Winding-Up which results in there being a successor to the Issuer and the obligations under the Subordinated PD Debt Instruments are assumed by that successor.

- (d) On the Winding-Up of the Issuer the rights of the PD Debt Instrument Holders against the Issuer to recover any sums payable in respect of such Subordinated PD Debt Instruments:
  - (i) shall be subordinate and junior in right of payment to the obligations of the Issuer to Senior Creditors, to the intent that all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated PD Debt Instruments; and
  - (ii) shall rank *pari passu* and rateably (as to its due proportion only) with other subordinated creditors of the Issuer in respect of Subordinated Indebtedness.
- (e) On a Winding-Up of the Issuer, PD Debt Instrument Holders shall only be entitled to prove for any sums payable in respect of the Subordinated PD Debt Instruments as a debt which is subject to and contingent upon prior payment in full of, the Senior Creditors. The PD Debt Instrument Holders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.
- (f) No PD Debt Instrument Holder shall be entitled to set-off against any amounts due in respect of the Subordinated PD Debt Instruments held by such PD Debt Instrument Holder any amount held by the PD Debt Instrument Holder to the credit of the Issuer whether in any account, in cash or otherwise, nor any deposits with, advances to or debts of the Issuer, nor any other amount owing by the PD Debt Instrument Holder to the Issuer on any account whatsoever, nor shall any PD Debt Instrument Holder be entitled to effect any reduction of the amount due to such PD Debt Instrument Holder in respect of a Subordinated PD Debt Instrument by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Subordinated PD Debt Instrument in breach of these Conditions.
- (g) The Issuer does not have any right to set-off against any amounts owing to it by a PD Debt Instrument Holder on any account against any amount owing by the Issuer to that PD Debt Instrument Holder in respect of any PD Debt Instrument.
- (h) Any payment whether voluntary or in any other circumstances received by a PD Debt Instrument Holder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this Condition or Condition 9.3, will be held by the relevant PD Debt Instrument Holder in trust for and to the order of the Senior Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the Subordinated PD Debt Instruments.

#### 4.3 Status of Unsubordinated PD Debt Instruments

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

Unsubordinated PD Debt Instruments rank at least equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law.

#### 4.4 Negative Pledge

So long as any of the Unsubordinated PD Debt Instruments remains outstanding, the Issuer will not, unless approved by an Extraordinary Resolution, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security Interest**") upon the whole or any part of its present or future assets or revenues or those of any of its Subsidiaries (as defined below) as security for any relevant indebtedness (as defined below) or any guarantee or indemnity ("**Guarantee**") given in respect of any relevant indebtedness unless prior to or simultaneously therewith, the Issuer either:

- (a) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Unsubordinated PD Debt Instruments and the relative Coupons which will result in such

obligations being secured equally and rateably in all respects so as to rank *pari passu* with the applicable relevant indebtedness or Guarantee; or

- (b) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Unsubordinated PD Debt Instruments and the relative Coupons as shall be approved by an Extraordinary Resolution.

For the purposes of these Conditions, “**relevant indebtedness**” means any present or future indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures, loan stock, certificates of deposit, bills of exchange, transferable loan certificates or other securities which are capable of being listed, quoted, ordinarily dealt in or traded on any recognised market, not being indebtedness incurred in the ordinary course of banking business.

In these Conditions, “**Subsidiary**” has the same meaning as that provided in Section 9 of the Corporations Act 2001 of Australia (as amended) (“**Corporations Act**”).

## 5 Interest

### 5.1 General

PD Debt Instruments may be either interest-bearing or non interest-bearing, as specified in the relevant Final Terms. Interest-bearing PD Debt Instruments may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of PD Debt Instruments, the relevant Final Terms may specify actual amounts of interest payable (“**Interest Amounts**”) rather than, or in addition to, a rate or rates at which interest accrues.

The Final Terms in relation to each Tranche of interest-bearing PD Debt Instruments will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the PD Debt Instruments. Condition 5.5 will be applicable to each Tranche of interest-bearing PD Debt Instruments.

### 5.2 Interest - fixed rate

Each PD Debt Instrument in relation to which this Condition 5.2 is specified in the relevant Final Terms as being applicable (“**Fixed Rate PD Debt Instruments**”) will bear interest on its nominal amount at the fixed rate or rates per annum specified in the relevant Final Terms from the Issue Date or such other date as is specified in the relevant Final Terms as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date (as defined in Condition 5.5(a)) as determined in accordance with the business day convention specified in the relevant Final Terms (“**Business Day Convention**”).

Interest which is required to be calculated for a period of other than a full year will be calculated on the basis of a year of 360 days and 12 months of 30 days each or on such other basis as may be specified as the Day Count Fraction in the relevant Final Terms.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount.

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

“**Interest Payment Date**”, “**Initial Broken Amount**” and “**Final Broken Amount**” have the meaning given to them in the Final Terms.

### 5.3 Interest - floating rate

- (a) *Accrual of interest*

PD Debt Instruments in relation to which this Condition 5.3 is specified in the relevant Final Terms as being applicable (“**Floating Rate PD Debt Instruments**”) will bear interest in respect of each



Interest Period (as defined in Condition 5.5(a)) at the rate or rates per annum specified in the relevant Final Terms determined in accordance with this Condition 5.3.

Each Floating Rate PD Debt Instrument will bear interest on its nominal amount at the Interest Rate (as defined below) from the Issue Date of the PD Debt Instruments or such other date as is specified in the relevant Final Terms as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate PD Debt Instrument would otherwise fall on a day which is not a Business Day (as defined in Condition 5.7), such Interest Payment Date shall be determined in accordance with the Business Day Convention.

(b) *Interest Rate*

The rate of interest payable in respect of Floating Rate PD Debt Instruments ("**Interest Rate**") shall be determined by the Calculation Agent (as defined in Condition 5.7) on the basis of (i) or (ii) below, as specified in the relevant Final Terms.

(i) *ISDA Determination for Floating Rate*

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Final Terms) the margin (if any) specified in the relevant Final Terms ("**Margin**"). For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for the PD Debt Instruments under an interest rate Swap Transaction if the Calculation Agent for the PD Debt Instruments were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms;
- (B) the Designated Maturity is a period specified in the relevant Final Terms; and
- (C) the relevant Reset Date is the day specified in the relevant Final Terms; and:
- (D) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction.

For the purposes of this sub-paragraph (i), "**Swap Transaction**", "**Floating Rate**", "**Calculation Agent**" (except references to "**Calculation Agent for the PD Debt Instruments**"), "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Period End Date**", "**Spread**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the 2006 ISDA Definitions as amended and updated in the case of each Series as at the Issue Date of the first Tranche of the relevant PD Debt Instruments, published by the International Swaps and Derivatives Association, Inc. ("**ISDA Definitions**"). "**Euro-zone**" means the region comprised of member states of the European Union that adopt a single currency in accordance with the Treaty on European Union.

(ii) *Screen Rate Determination for Floating Rate PD Debt Instruments*

Where the Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as specified in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (a) If (A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date or if (B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.
- (b) If paragraph (a) above applies and the Calculation Agent determines that fewer than two Reference Banks are making offered quotations for the Reference Rate in respect of the Specified Currency, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro or Renminbi, in such financial centre(s) as is/are specified in the relevant Final Terms, in each case as selected by the Calculation Agent ("**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period (x) to leading banks carrying on business in Europe, or (if the relevant currency is not Euro and the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre.

In these Conditions:

"**Interest Determination Date**" shall mean the date specified as such in the Final Terms or if none is so specified:

- (a) if the Reference Rate is the London interbank offered rate ("**LIBOR**") (other than Sterling or Euro LIBOR), the second London business day prior to the start of each Interest Period;
- (b) if the Reference Rate is Sterling LIBOR, the first day of each Interest Period;
- (c) if the Reference Rate is Euro LIBOR or the Euro-zone interbank offered rate ("**EURIBOR**"), the second day on which the TARGET2 System is open prior the start of each Interest Period;
- (d) if the Reference Rate is the Australian Bank Bill Swap Rate ("**BBSW**"), the first date of each Interest Period;
- (e) if the Reference Rate is the New Zealand Bank Bill reference rate interbank offered rate ("**BKBM**"), the first day of each Interest Period;

- (f) if the Reference Rate is the Hong Kong interbank offered rate (“**HIBOR**”), the first day of each Interest Period;
- (g) if the Reference Rate is the Toronto interbank offered rate (“**BA-CDOR**”), the first day of each Interest Period; and
- (h) if the Reference Rate is the Singapore interbank offered rate (“**SIBOR**”), the second Singapore business day prior to the start of each Interest Period.

“**Reference Rate**” shall mean (a) LIBOR, (b), EURIBOR, (c) BBSW, (d) BKBM, (e) HIBOR, (f) BA-CDOE or (g) SIBOR, in each case for the relevant period, each as set out in the applicable Final Terms.

“**Relevant Financial Centre**” shall mean (a) London, in the case of a determination of LIBOR, (b) Brussels in the case of a determination of EURIBOR, (c) Sydney, in the case of a determination of BBSW, (d) Auckland and Wellington, in the case of a determination of BKBM, (e) Hong Kong, in the case of a determination of HIBOR, (f) Toronto, in the case of a determination of BA-CDOR and (g) Singapore, in the case of a determination of SIBOR, each as specified in the applicable Final Terms.

“**Relevant Time**” shall mean (a) in the case of LIBOR, 11.00 a.m., (b) in the case of EURIBOR, 11.00 a.m., (c) in the case of BBSW, 10.30 a.m., (d) in the case of BKBM, 10.45 a.m., (e) in the case of HIBOR, 11.00 a.m., (f) in the case of BA-CDOR, 10.00 a.m., and (g) in the case of SIBOR, 11.00 a.m., each as specified in the applicable Final Terms.

(iii) *Bank Bill Rate Determination*

If Bank Bill Rate Determination is specified in the Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate PD Debt Instruments for each Interest Period is the sum of the Margin (if any) and the Bank Bill Rate.

In this Condition:

- (A) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the “BBSW” page of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time; and

- (B) **Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

(iv) *Minimum and/or Maximum Interest Rate*

If the relevant Final Terms specify a Minimum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the Final Terms specify a Maximum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance

with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(v) *Fallback Interest Rate*

Unless otherwise specified in the relevant Final Terms, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions, the Interest Rate applicable to the PD Debt Instruments during the relevant Interest Period will be the Interest Rate applicable to the PD Debt Instruments during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

(vi) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the principal amount of each denomination of such PD Debt Instruments. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the outstanding principal amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest unit of the currency in which the relevant PD Debt Instruments are denominated or, as the case may be, in which such interest is payable (an amount equal to or above one half of any such unit being rounded upwards).

## 5.4 Interest – Fixed/Floating

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Final Terms, each PD Debt Instrument bears interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) at the applicable rates of interest determined in accordance with this Condition 5.4, and such interest will be payable in arrear on the relevant Interest Payment Date (as defined below).

If Fixed/Floating Rate Interest Basis is specified as being applicable in the applicable Final Terms, the basis upon which interest accrues (and on which the rate of interest shall be determined) will (unless the PD Debt Instruments are redeemed or purchased and cancelled prior to the Interest Basis Conversion Date) change from one interest basis (the “**First Interest Basis**”) to another (the “**Second Interest Basis**”).

The First Interest Basis shall apply to any Interest Period in the First Interest Basis Period and the Second Interest Basis shall apply to any Interest Period in the Second Interest Basis Period.

The rate of interest for any Interest Period, and the amount of interest payable on each Interest Payment Date in respect of such Interest Period, shall be determined by the Agent or (if specified in the applicable Final Terms) the Calculation Agent, as applicable, in accordance with (i) if the relevant Interest Basis is specified in the applicable Final Terms to be Fixed Rate, Condition 5.2 or (ii) if the relevant Interest Basis is specified in the applicable Final Terms to be Floating Rate, Condition 5.3. If an Interest Basis for an Interest Basis Period is specified in the applicable Final Terms as being Floating Rate, the notification and publication requirements of Condition 5.5(b) shall apply in respect of each Interest Period falling within such Interest Basis Period.

If the Second Interest Basis is specified to be Floating Rate in the applicable Final Terms and the Interest Basis Conversion Date is not a Business Day for the purposes of determining the Rate of Interest in accordance with Condition 5.5(b), the Interest Determination Date for the Interest Period immediately following the Interest Basis Conversion Date shall be the Business Day immediately preceding the Interest Basis Conversion Date.

For the purposes of this Condition 5.4:

**“First Interest Basis Period”** means the period from (and including) the Interest Commencement Date to (but excluding) the Interest Basis Conversion Date.

**“Interest Basis”** means the First Interest Basis or the Second Interest Basis, as applicable.

**“Interest Basis Conversion Date”** shall have the meaning specified in the applicable Final Terms.

**“Interest Basis Period”** means the First Interest Basis Period or the Second Interest Basis Period, as applicable.

**“Interest Payment Date(s)”** means, in relation to each Interest Basis:

- (A) the Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date that falls within the First Interest Basis Period, after the Interest Commencement Date.

**“Second Interest Basis Period”** means the period from (and including) the Interest Basis Conversion Date to (but excluding) the Maturity Date.

## 5.5 Interest - supplemental provisions

### (a) *Interest Payment Dates and Interest Periods*

Interest on each PD Debt Instrument will be payable in arrear at such intervals and on such dates as are specified in the relevant Final Terms and at the Maturity Date of such PD Debt Instrument (each an **“Interest Payment Date”**). The period beginning on (and including) the Issue Date of a PD Debt Instrument (or other date specified in the relevant Final Terms as the Interest Commencement Date) and ending on (but excluding) the first Interest Payment Date, and each period thereafter from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date, is referred to in these Conditions as an **“Interest Period”**. The I&P Agent must notify the London Stock Exchange of each Interest Period for PD Debt Instruments listed on the London Stock Exchange.

### (b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer and, in the case of Bearer PD Debt Instruments, the I&P Agent or, in the case of Registered PD Debt Instruments, the Registrar, the London Stock Exchange and to be notified to PD Debt Instrument Holders in accordance with Condition 18 as soon as practicable after such determination or calculation but in any event not later than the fourth Banking Day in the Relevant Financial Centre (as defined in Condition 5.3) thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, items and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any PD Debt Instrument) shall, in the absence of manifest error, be final and binding on all parties.

(d) *Accrual of interest*

Interest shall accrue on the outstanding principal amount of each PD Debt Instrument on the paid up principal amount of such PD Debt Instrument. Interest will cease to accrue as from the due date for redemption of a PD Debt Instrument unless (except in the case of any payment where presentation and/or surrender of the relevant PD Debt Instrument is not required as a precondition of payment) upon due presentation and/or surrender of the relevant PD Debt Instrument, the relevant payment is not made in which case interest will continue to accrue thereon (after as well as before any demand or judgment) at the rate then applicable to the outstanding principal amount of the PD Debt Instruments or such other default rate (if any) as may be specified in the relevant Final Terms until the date on which, upon (except in the case where presentation and/or surrender of the relevant PD Debt Instrument is not required as a precondition of payment) due presentation and/or surrender of the relevant PD Debt Instrument, the relevant payment is made or, if earlier (except in the case where presentation and/or surrender of the relevant PD Debt Instrument is not required as a precondition of payment), the seventh day after the date on which, the I&P Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice of that circumstance is given to the PD Debt Instrument Holder in accordance with Condition 18 (except to the extent that there is failure in the subsequent payment thereof to the relevant PD Debt Instrument Holder).

(e) *Business Day Convention*

If the Business Day Convention is specified in the relevant Final Terms to be:

- (i) the Floating Rate Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:
  - (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and
  - (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the relevant Final Terms after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(f) *Day Count Fraction*

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "Actual/365" or "Actual/Actual" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest

Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if “Actual/365 (Fixed)” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if “30E/360” or “Eurobond basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
  - “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
  - “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
  - “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
  - “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
  - “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;
- (vii) if “Australian Bond Basis” is specified in the relevant Final Terms, one divided by the number of Interest Payment Dates in a year; or
- (viii) if “Actual/Actual-ICMA” is specified in the relevant Final Terms:
- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and
  - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year; and
    - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“**Calculation Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last).

## 5.6 Zero Coupon PD Debt Instruments

If the amount due and payable in respect of a Zero Coupon PD Debt Instrument on the redemption date is not paid when due, the Interest Rate for any such overdue principal shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Final Terms.



## 5.7 Definitions

In these Conditions:

**“Additional Business Centre”** means any city specified as such in the relevant Final Terms.

**“Banking Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business.

**“Business Day”** means:

- (a) in the case of a Specified Currency other than Euro, U.S. Dollars or Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument) the principal financial centre for that currency which, if the currency is Australian Dollars, shall be Sydney; and/or
- (b) in the case of U.S. Dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York City (unless otherwise agreed between the Issuer, each relevant Agent and Registrar); and/or
- (c) in the case of Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument) London and a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer TARGET 2 System (**“TARGET 2”**) is operating; and/or
- (d) in the case of Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which (i) in the case of PD Debt Instruments lodged with the CMU Service, the CMU Service is operating, and (ii) commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong or such other principal financial centre as may be agreed from time to time by the Issuer and the relevant Dealer(s); and/or
- (e) in the case of a Specified Currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument) the Additional Business Centre(s) or, if no currency is specified, generally in each of the Additional Business Centres so specified; and/or
- (f) if a PD Debt Instrument is to be issued or paid on such Business Day a day on which each relevant Clearing System is operating.

**“Calculation Agent”** means Deutsche Bank AG, London Branch and any other person appointed as calculation agent by the Issuer.

**“Clearing System”** means Euroclear Bank S.A./N.V. (**“Euroclear”**), Clearstream Banking, société anonyme, the Central Moneymarkets Unit Service (**“CMU Service”**), Austraclear Limited (ABN 94 002 060 773), as operator of the Austraclear System (**“Austraclear”**) and/or any other clearing system specified in the relevant Final Terms.

**“Reference Banks”** means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate.

**“Representative Amount”** means the amount so specified in the relevant Final Terms or, if none, an amount that is representative for a single transaction in the relevant market at the relevant time.

## 6 Redemption and Purchase

### 6.1 Redemption

Unless previously redeemed or purchased and cancelled, each PD Debt Instrument will be redeemed on its Maturity Date as specified in the relevant Final Terms at its maturity redemption amount ("**Maturity Redemption Amount**") (which shall be its outstanding principal amount or such other Maturity Redemption Amount as may be specified in or determined in accordance with the relevant Final Terms).

### 6.2 Redemption at the option of the Issuer

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated PD Debt Instruments.*

The Issuer may (if this Condition 6.2 is specified in the relevant Final Terms as being applicable) having given at least 30 days but not more than 60 days notice (or such period as specified in the relevant Final Terms) to PD Debt Instrument Holders in accordance with Condition 18 (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Final Terms redeem all (but not, unless and to the extent that the relevant Final Terms specify otherwise, some only) of the PD Debt Instruments on any Business Day (being, in the case of interest-bearing PD Debt Instruments, an Interest Payment Date) at their early redemption amount (call) ("**Early Redemption Amount (Call)**") (which shall be their outstanding principal amount or a percentage of their outstanding principal amount as specified in the Final Terms) together with accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

- (a) the Series of PD Debt Instruments subject to redemption;
- (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the PD Debt Instruments of the relevant Series which are to be redeemed;
- (c) the due date for redemption;
- (d) the Early Redemption Amount (Call) at which such PD Debt Instruments are to be redeemed; and
- (e) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as specified in the relevant Final Terms.

In the case of a partial redemption of PD Debt Instruments, the PD Debt Instruments to be redeemed will be selected by the I&P Agent or in the case of a Tranche represented wholly by Registered PD Debt Instruments, the Registrar, and notice of the PD Debt Instruments called for redemption (together with the serial numbers thereof) will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption.

### 6.3 Redemption at the option of PD Debt Instrument Holders

The Issuer will (if this Condition 6.3 is specified in the relevant Final Terms as being applicable), at the option of any PD Debt Instrument Holder giving not less than 30 days but not more than 60 days (or such other period specified in the Final Terms), redeem such PD Debt Instruments on any day (being, in the case of an interest-bearing PD Debt Instrument one or more Interest Payment Dates) at its early redemption amount (put) ("**Early Redemption Amount (Put)**") (which shall be its outstanding principal amount or a percentage of its outstanding principal amount as specified in the relevant Final Terms) together with accrued interest (if any) thereon.

To exercise such option, the PD Debt Instrument Holder must complete, sign and deposit at the specified office of, in the case of a Bearer PD Debt Instrument, the I&P Agent or, in the case of a Registered PD

Debt Instrument, the Registrar or the Transfer Agent, a redemption notice in the form obtainable from the I&P Agent or the Registrar or the Transfer Agent (as applicable) not less than 45 days before the redemption date, deposit the relevant PD Debt Instrument (together, in the case of an interest-bearing Bearer PD Debt Instrument, with any unmatured Coupons and unexchanged Talons appertaining thereto and, in the case of a Registered PD Debt Instrument the relevant Certificate (if certificated)) with, in the case of a Bearer PD Debt Instrument, the I&P Agent or, in the case of a Registered PD Debt Instrument, the Registrar or the Transfer Agent.

#### 6.4 Redemption for taxation reasons

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.4 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments.*

If, in respect of the PD Debt Instruments of any Series the Issuer, on the occasion of the next payment due in respect of the PD Debt Instruments, would be required to pay any Additional Amounts referred to in Condition 8, then the Issuer (in the case of Subordinated PD Debt Instruments, subject to the prior written approval of APRA having been obtained) may at its option give not more than 60 nor less than 30 days' notice to each Agent and to the PD Debt Instrument Holders in accordance with Condition 18, and upon expiry of such notice shall redeem all but not some only of the PD Debt Instruments at their early redemption amount (tax) ("**Early Redemption Amount (Tax)**") (which shall be their outstanding principal amount or a percentage of their outstanding principal amount as specified in the relevant Final Terms) together with accrued interest (if any) accrued to the due date for redemption).

Prior to publication of any such notice of redemption, the Issuer shall deliver to the I&P Agent a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to make any such withholding or deduction.

Such notice shall be given promptly upon the occurrence of any of the above events.

#### 6.5 Redemption of Subordinated PD Debt Instruments for loss of deductibility reasons

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.5 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated PD Debt Instruments.*

If, prior to the earliest date on which the Issuer is entitled to redeem some or all of the Subordinated PD Debt Instruments in accordance with Condition 6.2, the Issuer determines (supported by an opinion, as to such determination, from tax advisers of recognised standing in Australia) that interest payable on the Subordinated PD Debt Instruments is not or may not be allowed as a deduction for the purposes of Australian income tax, then the Issuer (subject to the prior written approval of APRA having been obtained) may give not more than 60 nor less than 30 days' notice (or such other notice period as may be specified in the Final Terms) to the relevant Agent and the Subordinated PD Debt Instrument Holders in accordance with Condition 18, and upon the next Interest Payment Date following expiry of such notice shall redeem all (but not some only) of the Subordinated PD Debt Instruments at their outstanding principal amount (plus accrued interest, if any).

The notice referred to above shall specify the Subordinated PD Debt Instruments subject to redemption and the due date for redemption.

#### 6.6 Redemption of Subordinated PD Debt Instruments for regulatory reasons

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the*

*Banking Act, the terms of this Condition 6.6 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated PD Debt Instruments.*

If, prior to the earliest date on which the Issuer is entitled to redeem some or all of the Subordinated PD Debt Instruments in accordance with Condition 6.2, the Issuer determines (supported by an opinion from legal advisers of recognised standing in Australia) that the Subordinated PD Debt Instruments have ceased, or will cease, to qualify as eligible capital under the standards and guidelines published by APRA, then the Issuer (subject to the prior written approval of APRA having been obtained) may give not more than 60 nor less than 30 days' notice to the relevant Agent and the Subordinated PD Debt Instrument Holders in accordance with Condition 18, and upon the next Interest Payment Date following expiry of such notice shall redeem all (but not some only) of the Subordinated PD Debt Instruments at their outstanding principal amount (plus accrued interest, if any).

The notice referred to above shall specify the Subordinated PD Debt Instruments subject to redemption and the due date for redemption.

## 6.7 Purchases

*MGL may only purchase Subordinated PD Debt Instruments which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act and issued by it in accordance with this Condition 6.7 with the prior written approval of APRA having been obtained, unless those Subordinated PD Debt Instruments are immediately on-sold to an unrelated third party (or a related party acting as custodian or funds manager for one or more unrelated parties or as the responsible entity of a managed investment scheme (as defined in the Corporations Act), in which case the approval of APRA is not required.*

The Issuer or any of its Related Entities may at any time purchase PD Debt Instruments, Coupons or Talons (provided that, in the case of interest-bearing Bearer PD Debt Instruments, all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) at any price in the open market or otherwise. If the Issuer proposes to purchase PD Debt Instruments by tender, such tender will be made available equally to all PD Debt Instrument Holders. Such PD Debt Instruments may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. In this Condition 6.7, "**Related Entities**" has the meaning given to that term in the Corporations Act.

## 6.8 Cancellation

All PD Debt Instruments redeemed or purchased for cancellation by or on behalf of the Issuer, will forthwith be surrendered for cancellation to any Paying Agent (in the case of Bearer PD Debt Instruments) or the Registrar or the Transfer Agent (in the case of Registered PD Debt Instruments which are certificated) and must be surrendered together with, in the case of interest-bearing Bearer PD Debt Instruments, all unmatured Coupons and unexchanged Talons and accordingly may not be reissued or resold. All such PD Debt Instruments will be cancelled forthwith (together with all such Coupons and Talons) and the Issuer's obligations in respect of such PD Debt Instruments shall be discharged upon such cancellation.

## 6.9 Zero Coupon PD Debt Instruments

In the case of Zero Coupon PD Debt Instruments, the Early Redemption Amount will be an amount ("**Amortised Face Amount**") equal to the sum of:

- (a) the Reference Price (as specified in the relevant Final Terms); and
- (b) the product of the Accrual Yield (as specified in the relevant Final Terms) (compounded annually) being applied to the Reference Price (as specified in the relevant Final Terms) from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such PD Debt Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or such other Day Count Fraction as may be specified in the relevant Final Terms.

## 7 Payments

### 7.1 Payments - Bearer PD Debt Instruments

#### 7.1.1 *Payment of amounts other than interest*

Payment of amounts (other than interest) due in respect of Bearer PD Debt Instruments (other than definitive Bearer PD Debt Instruments held through the CMU Service ("**CMU PD Debt Instruments**")) will be made against presentation and surrender of the PD Debt Instrument, at the specified office of any Paying Agent.

#### 7.1.2 *Payment of amounts in respect of interest on Bearer PD Debt Instruments*

Payment of amounts due in respect of interest on Bearer PD Debt Instruments (other than CMU PD Debt Instruments) will be made:

- (a) in the case of a PD Debt Instrument without Coupons attached thereto at the time of its initial delivery, against presentation of the relevant PD Debt Instrument at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States; and
- (b) in the case of a PD Debt Instrument delivered with Coupons attached thereto at the time of its initial delivery, against presentation and surrender of the relevant Coupon or, in the case of interest due otherwise than on a scheduled Interest Payment Date, against presentation of the relevant Bearer PD Debt Instrument, in either case at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States.

#### 7.1.3 *Payment of amounts in respect of CMU PD Debt Instruments*

In the case of CMU PD Debt Instruments, payment will be made to the person for whose account interests in the relevant definitive Bearer PD Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any PD Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### 7.1.4 *Payment at specified office in the United States*

Except as provided below, payment of amounts due in respect of interest on Bearer PD Debt Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 7.1.5 will not be made at any specified office of any Paying Agent in the United States. Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this PD Debt Instrument is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of this PD Debt Instrument will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the PD Debt Instruments in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

If paragraphs (a) and (b) apply, the Issuer shall forthwith appoint a Paying Agent with a specified office in New York City.

#### 7.1.5 *Unmatured Coupons and unexchanged Talons*

Each Bearer PD Debt Instrument initially delivered with Coupons attached thereto should be presented and surrendered for final redemption together with all unexpired Coupons and Talons appertaining thereto (if any), failing which:

- (a) in the case of Bearer PD Debt Instruments which are Fixed Rate PD Debt Instruments, the amount of any missing unexpired Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing unexpired Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) will be deducted from the amount otherwise payable on such final redemption. The amount so deducted will be paid against surrender of the relevant Coupon at the specified office of the I&P Agent at any time within five years of the Relevant Date applicable to payment of such final redemption amount. The “**Relevant Date**” is the earlier of:
  - (i) the date on which all amounts due in respect of the PD Debt Instrument have been paid; and
  - (ii) the date on which the full amount of the moneys payable has been received by the I&P Agent, in the case of a Bearer PD Debt Instrument, or the Registrar, in the case of a Registered PD Debt Instrument, and notice to that effect has been given to the PD Debt Instrument Holders in accordance with Condition 18;
- (b) in the case of Bearer PD Debt Instruments which are Floating Rate PD Debt Instruments all unexpired Coupons (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) relating to such Bearer PD Debt Instruments (whether or not attached) shall become void and no payment shall be made thereafter in respect of them;
- (c) in the case of Bearer PD Debt Instruments initially delivered with Talons attached thereto, all unexpired Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (d) in the case of Bearer PD Debt Instruments which bear interest at a floating rate or rates, or where such a Bearer PD Debt Instrument is presented for redemption without all unexpired Coupons and any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

The provisions of paragraph (a) of this Condition 7.1.5 notwithstanding, if any Bearer PD Debt Instruments are issued with a Maturity Date and a fixed rate or fixed rates of interest such that on the presentation for payment of any such Bearer PD Debt Instrument without any unexpired Coupons attached thereto or surrendered therewith, the amount required by paragraph (a) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Bearer PD Debt Instrument, such unexpired Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unexpired Coupons relating to a Bearer PD Debt Instrument to become void, the I&P Agent shall determine which unexpired Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

#### 7.1.6 *Exchange of Talons*

In relation to Bearer PD Debt Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent

outside (unless Condition 7.1.4 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

#### 7.1.7 *United States*

For the purpose of these Conditions, the “United States” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

#### 7.1.8 *Payment Business Day*

If the due date for payment of an amount in respect of a Bearer PD Debt Instrument is not a Payment Business Day (as defined in Condition 7.4), then the PD Debt Instrument Holder will not be entitled to payment of such amount until the next day which is a Payment Business Day (as defined in Condition 7.4) and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 5.5(d).

### 7.2 **Payments - Registered PD Debt Instruments**

#### 7.2.1 *Payment of principal in respect of Registered PD Debt Instruments*

Payment of principal (which for this purpose shall include any final redemption amount) due in respect of Registered PD Debt Instruments will be made to the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (eighth, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment and (if in certificated form) against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Certificate at the specified office of the Registrar or the specified office of the Transfer Agent.

#### 7.2.2 *Payment of interest in respect of Registered PD Debt Instruments*

Payment of interest due in respect of Registered PD Debt Instruments will be paid to the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (seventh, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment (“**Record Date**”).

“**Relevant Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar and the specified office of the Transfer Agent is located.

#### 7.2.3 *Payment in respect of Registered PD Debt Instruments held through the CMU Service*

In the case of Registered PD Debt Instruments held through the CMU Service, payment will be made to the person for whose account interests in the relevant Registered PD Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any PD Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### 7.2.4 *Manner of payments pursuant to Condition 7.2.2*

Notwithstanding the provisions of Condition 7.4, payments in respect of Registered PD Debt Instruments pursuant to Condition 7.2.2 will be made by cheque and posted to the address (as recorded in the Register) of the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first-named) on the relevant due date for payment unless prior to the relevant Record Date the PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

#### 7.3 **Payment due on a non-Payment Business Day**

If the due date for payment of the final redemption amount or interest due in respect of any Registered PD Debt Instrument is not a Payment Business Day (as defined in Condition 7.4), then the PD Debt Instrument Holder of such Registered PD Debt Instrument will not be entitled to payment thereof until the next day which is a Payment Business Day and no further payment on account of principal or interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 5.5(d).

#### 7.4 **Payments - general provisions**

Subject to Condition 7.2.4, payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of PD Debt Instruments will be made as follows:

- (a) payments in a Specified Currency other than Euro or Renminbi will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency, provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States;
- (b) payments in Renminbi will be made by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and procedures of the CMU Service or when the PD Debt Instruments are in definitive form, transfer to the Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations; and
- (c) payments in respect of definitive PD Debt Instruments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or at the option of the payee, by a Euro cheque.

Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws, regulations and directives and the administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of PD Debt Instruments. In particular, if any withholding or deduction is required under the Foreign Account Taxation Compliance Act provisions, sections 1471 through to 1474 of the US Internal Revenue Code (including any regulations or official interpretations issued, agreements entered into or any law implementing an international intergovernmental approach with respect thereto) ("FATCA"), or is required pursuant to any taxing authority of the United States or any political subdivision thereof, in the case of any Registered PD Debt Instrument that may give rise to US Source Interest (as defined in Condition 8) the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding or deduction. No commission or expenses shall be charged to the PD Debt Instrument Holders or Couponholders (if any) in respect of such payments. For the avoidance of doubt, the provisions of Condition 8 in relation to the payment of Additional Amounts (as defined in Condition 8) only apply in respect of withholdings or deductions of Taxes (as defined in Condition 8) required by law and imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or



thereof having power to tax or, in the case of Debt Instruments issued by a branch of the Issuer located outside Australia, Taxes (other than, in the case of the United States, imposed by FATCA) imposed or levied by or on behalf of the country in which such branch is located or any political subdivision thereof or any authority therein or thereof having power to tax.

In these Conditions, “**Payment Business Day**” means any day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation and (in the case of a payment in Euro) on which banks are open for business and carrying out transactions in Euro in the jurisdiction in which the Euro account specified by the payee is located; and
- (ii) a Business Day (as defined in Condition 5.7).

## 7.5 Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the PD Debt Instruments shall be deemed to include, as applicable:

- (a) any Additional Amounts which may be payable with respect to principal under Condition 8;
- (b) the Maturity Redemption Amount of the PD Debt Instruments;
- (c) the Early Redemption Amount (Call) of the PD Debt Instruments;
- (d) the Early Redemption Amount (Put) of the PD Debt Instruments;
- (e) the Early Redemption Amount (Tax) of the PD Debt Instruments;
- (f) the Early Redemption Amount (Default) of the PD Debt Instruments;
- (g) in relation to Zero Coupon PD Debt Instruments, the Amortised Face Amount; and
- (h) any premium and any other amounts which may be payable by the Issuer under or in respect of the PD Debt Instruments.

Any reference in these Conditions to interest in respect of the PD Debt Instruments shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 8.

## 8 Taxation

All payments by the Issuer (in respect of principal, redemption amount or interest) in respect of the PD Debt Instruments or Coupons will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of Debt Instruments issued by a branch of the Issuer located outside Australia, Taxes (other than, in the case of the United States, imposed by FATCA) imposed or levied by or on behalf of the country in which such branch is located or any political subdivision thereof or any authority therein or thereof having power to tax, or in the case of Registered PD Debt Instruments that may give rise to US Source Interest (as defined below), Taxes imposed or levied by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having the power to tax, unless in each case such withholding or deduction of such Taxes is required by law. In that event, the Issuer will pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the PD Debt Instrument Holders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the PD Debt Instruments or, as the case may be, Coupons in the absence of such withholding or deduction; except that no Additional Amounts are payable in relation to any payment in respect of any PD Debt Instrument or Coupon:

- (a) to, or to a third party on behalf of, a PD Debt Instrument Holder who is liable to such Taxes in respect of such PD Debt Instrument or Coupon by reason of his having some connection with Australia or Victoria or the country in which such branch is located other than the mere holding of such PD Debt Instrument or Coupon or receipt of principal or interest in respect thereof or could have lawfully avoided (but has not so avoided) such liability by providing or procuring that any third party provides the PD Debt Instrument Holder's TFN and/or ABN or evidence that the PD Debt Instrument Holder is not required to provide a TFN and/or ABN to the Issuer or, in the case of PD Debt Instruments issued by a branch of the Issuer located outside Australia, satisfies similar requirements or otherwise provides details of the PD Debt Instrument Holder's name and address to the Issuer;
- (b) to, or to a third party on behalf of, a PD Debt Instrument Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the PD Debt Instrument is presented for payment;
- (c) where the PD Debt Instrument or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that a PD Debt Instrument Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (d) to, or to a third party on behalf of, a PD Debt Instrument Holder who is liable to the Taxes in respect of the PD Debt Instrument or Coupon by reason of the PD Debt Instrument Holder being an associate of the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (as amended) ("**Australian Tax Act**");
- (e) where the PD Debt Instrument or Coupon is presented for payment, where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (f) where the PD Debt Instrument or Coupon is presented for payment by or on behalf of a PD Debt Instrument Holder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant PD Debt Instrument or Coupon (as the case may be) to another Paying Agent in a Member State of the European Union; or
- (g) where such withholding or deduction is due to Taxes imposed or levied by or on behalf of the United States, or any political subdivision thereof or any authority therein or thereof having power to tax under the United States.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the I&P Agent on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the PD Debt Instrument Holders in accordance with Condition 18.

"**US Source Interest**" means interest (including original issue discount, as defined under US tax principles) paid on Registered PD Debt Instruments which may be treated as interest paid by a U.S. trade or business for U.S. federal income tax purposes.

## 9 Events of Default

### 9.1 Events of Default - Unsubordinated PD Debt Instruments

If any of the events of default specified below occur, then by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) in the case of the event of default specified in paragraphs (a), (d), (e), (f), (g) or (h) any holder of Unsubordinated PD Debt Instruments may declare that all the Unsubordinated PD Debt Instruments held by that PD Debt Instrument Holder are

immediately due and repayable, or (2) in any case, holders of not less than 25% of the outstanding Unsubordinated PD Debt Instruments of a Series may declare that all the Unsubordinated PD Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the Unsubordinated PD Debt Instruments are:

- (a) **(non-payment)** the Issuer fails to pay any principal or any interest in respect of the Unsubordinated PD Debt Instruments or the relevant Series or any of them within 14 days of the relevant due date; or
- (b) **(other obligations)** the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Unsubordinated PD Debt Instruments which default is incapable of remedy or, if capable of remedy, is not remedied within 21 Business Days after notice requiring such default to be remedied shall have been given to the Issuer by the PD Debt Instrument Holder; or
- (c) **(illegality)** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Unsubordinated PD Debt Instruments or the Agency Agreement; or
- (d) **(winding-up)** an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 Business Days) or an order is made for the winding-up of the Issuer or a resolution is passed for the winding-up of the Issuer other than for the purposes of a solvent reconstruction or amalgamation; or
- (e) **(receiver)** a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Issuer and such appointment is not terminated within 21 Business Days; or
- (f) **(cessation of business)** the Issuer ceases or threatens to cease to carry on its business or ceases or threatens to cease payment of its debts generally; or
- (g) **(insolvency)** the Issuer is unable to pay its debts when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or
- (h) **(arrangement or composition)** the Issuer makes or enters into (i) a readjustment or rescheduling of its indebtedness with creditors generally or (ii) an assignment for the benefit of, or an arrangement or composition with, its creditors generally, in each case, other than for the purposes of a reconstruction, amalgamation, reorganisation or merger where the Issuer is solvent.

Upon any such notice being given to the Issuer, such Unsubordinated PD Debt Instrument shall immediately become due and payable at its Early Redemption Amount (Default) (as specified in the Final Terms).

## 9.2 Events of Default - Subordinated PD Debt Instruments

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 9.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated PD Debt Instruments.*

If either of the events of default specified below occur, then, subject to Condition 9.3(b), by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) any holder of Subordinated PD Debt Instruments may declare that all the Subordinated PD Debt Instruments held by that PD Debt Instrument Holder are immediately due and repayable, or (2) holders of not less than 25% of the outstanding Subordinated PD Debt Instruments of a Series may declare that all the Subordinated PD Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the Subordinated PD Debt Instruments are:

- (a) the Issuer fails to pay any amount of principal in respect of the Subordinated PD Debt Instruments of the relevant Series or any of them within 14 days of the relevant due date or fails to pay any amount of interest in respect of the Subordinated PD Debt Instruments of the relevant Series or any of them within 30 days of the relevant due date. For the avoidance of doubt, if the condition to payment in Condition 4.2(b) is not satisfied, then the Issuer is not obliged to make payment and, accordingly, no amount is due and the event of default in this paragraph (a) cannot occur; or
- (b) an order is made or an effective resolution is passed for the winding-up of the Issuer.

### 9.3 Subordinated PD Debt Instruments - Remedies

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 9.3 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated PD Debt Instruments.*

- (a) In the event of the occurrence of either of the Events of Default set out above in Condition 9.2 (a) or (b), then in addition to giving notice under Condition 9.2, the holder of any Subordinated PD Debt Instruments of the relevant Series may, subject to paragraph (b) below, institute proceedings for a winding-up or liquidation of the Issuer or, subject to Condition 4.2(e), for proving or claiming in any winding-up or liquidation of the Issuer; and
- (b) no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than the institution of proceedings for winding-up or liquidation or, subject to Condition 4.2(e), for proving or claiming in any winding-up or liquidation of the Issuer, shall be available to the holders of any Subordinated PD Debt Instruments for the recovery of amounts owing in respect of the Subordinated PD Debt Instruments or in respect of any breach by the Issuer of any obligation, condition or provision binding on the Issuer under the terms of the Subordinated PD Debt Instruments. In particular, no holders of any Subordinated PD Debt Instruments shall be entitled to exercise any right of set-off or counterclaim which may be available to the PD Debt Instrument Holder against amounts owing by the Issuer in respect of such Subordinated PD Debt Instruments (whether prior to, or following, any bankruptcy, liquidation, winding-up or sequestration of the Issuer).

### 10 Prescription

Claims against the Issuer for payment in respect of the PD Debt Instruments or Coupons (which, for this purpose, shall not include Talons) will be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date.

### 11 Replacement of PD Debt Instruments, Coupons and Talons

Should any PD Debt Instrument, Coupon, Talon or Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent (in the case of Bearer PD Debt Instruments, Coupons and Talons) or the Registrar (in the case of Registered PD Debt Instruments in certified form), subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the I&P Agent may require. Mutilated or defaced PD Debt Instruments, Coupons or Talons must be surrendered before replacements will be issued.

### 12 Currency Indemnity

The Specified Currency is, unless otherwise specified in the relevant Final Terms the sole currency of account and payment for all sums payable by the Issuer in respect of the PD Debt Instruments, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or on the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any PD Debt Instrument Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Specified Currency which such PD

Debt Instrument Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Specified Currency expressed to be due to any PD Debt Instrument Holder in respect of such PD Debt Instrument the Issuer shall indemnify each such PD Debt Instrument Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any PD Debt Instrument Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the PD Debt Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant PD Debt Instrument Holder and no proof or evidence of any actual loss will be required by the Issuer.

### 13 Further Issues

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, any further issue of Subordinated PD Debt Instruments of that Series under this Condition 13 is subject to the prior written approval of APRA having been obtained before such further issue.*

The Issuer may from time to time without the consent of the PD Debt Instrument Holders (or any of them) create and issue further PD Debt Instruments forming a single Series with any existing PD Debt Instruments either having the same terms and conditions as such PD Debt Instruments in all respects or in all respects except in connection with the Issue Date, Interest Commencement Date and the amount of the first payment of interest (if any) and so that the same shall be consolidated and form a single Series with the outstanding PD Debt Instruments.

### 14 Agents

The Agents and their initial specified offices are as set out in the Base Prospectus. The Issuer reserves the right at any time to terminate the appointment of any Agent or to appoint additional or other Agents, provided that it will maintain:

- (a) an I&P Agent;
- (b) for so long as any PD Debt Instruments are admitted to the Official List of the Financial Conduct Authority in its capacity as competent authority under the Financial Services Act 2012 and to trading on the Market and admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, maintain a Paying Agent in London and/or such other place as may be required by such listing authority, stock exchange and/or quotation system;
- (c) for so long as any Registered PD Debt Instruments are listed on the London Stock Exchange, a Transfer Agent in London;
- (d) a Registrar maintaining the Register in such city as is specified in the relevant Final Terms; and
- (e) a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the PD Debt Instrument Holders in accordance with Condition 18.

## **15 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the I&P Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the PD Debt Instrument to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.

## **16 Modification and waiver**

### **16.1 Meetings of PD Debt Instrument Holders**

The Agency Agreement contains provisions for convening meetings of the PD Debt Instrument Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 51% in principal amount of the PD Debt Instruments for the time being outstanding except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 75% in principal amount of the PD Debt Instruments for the time being outstanding, or at any adjourned meeting two or more persons present whatever the principal amount of the PD Debt Instruments held or represented by them, except that at any adjourned meeting, the business of which includes the modification of certain of these Conditions, the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate not less than 51% of the principal amount of the PD Debt Instruments for the time being outstanding. An Extraordinary Resolution passed at any meeting of the PD Debt Instrument Holders will be binding on all PD Debt Instrument Holders, whether or not they are present at the meeting, and on all Couponholders.

### **16.2 Modification and Waiver**

The Issuer may, without the consent of the PD Debt Instrument Holders or Couponholders, make any modification of any of these Conditions or any of the provisions of the Agency Agreement which is not materially prejudicial to the interests of the PD Debt Instrument Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.

The Issuer will not make any modification to the conditions of any Subordinated PD Debt Instrument which impact upon the eligibility of the Subordinated PD Debt Instrument for inclusion as part of the regulatory capital of the Issuer for the purposes of any prudential standard, prudential regulation or other requirement of APRA which is applicable to the Issuer without the prior written consent of APRA having been obtained.

### **16.3 Notification**

Any modification, waiver or authorisation shall be binding on the PD Debt Instrument Holders and the Couponholders and any modification shall be notified by the Issuer to the PD Debt Instrument Holders as soon as practicable thereafter in accordance with Condition 18.

## **17 Substitution**

*In the case of Subordinated PD Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, MGL may only exercise its rights under this Condition 17 with the prior written approval of APRA.*

## 17.1 Substitution

The Issuer may, without the consent of the relevant PD Debt Instrument Holders, substitute any of the Issuer's wholly owned Subsidiaries for the Issuer as the principal debtor in respect of all obligations arising from or in connection with the relevant PD Debt Instruments ("**Relevant PD Debt Instruments**") ("**Substituted Issuer**"). The Issuer may only do this if:

- (a) the Substituted Issuer assumes all of the obligations of the Issuer under the Relevant PD Debt Instruments and (if applicable) the Agency Agreement and the Master Deed of Covenant;
- (b) the Issuer unconditionally and irrevocably guarantees the obligations to be assumed by the Substituted Issuer;
- (c) the Substituted Issuer has obtained all necessary authorisations to assume such obligations;
- (d) the Substituted Issuer has, if necessary, appointed an agent for the service of process in New South Wales or England (as the case may be);
- (e) there have been delivered to the I&P Agent opinions of lawyers of recognised standing in:
  - (i) New South Wales and Australia or England (as the case may be); and
  - (ii) the place of incorporation of the Substituted Issuer,which are collectively to the effect that:
  - (iii) the matters referred to in paragraphs (a), (b) and (c) above have been satisfied;
  - (iv) the Substituted Issuer is validly existing;
  - (v) the obligations assumed by the Substituted Issuer are valid and binding on it;
  - (vi) the substitution is not in breach of any law or regulation or the constitution of the Substituted Issuer; and
  - (vii) the choice of governing law and submission to jurisdiction are valid; and
- (f) the Relevant PD Debt Instruments continue to have a credit rating from at least one internationally recognised rating agency at least equal to the relevant rating from that rating agency immediately prior to the substitution.

## 17.2 Notice

The Substituted Issuer must give notice of any substitution made under this Condition 17 to the relevant PD Debt Instrument Holders in accordance with Condition 18. The notice must provide the contact details of the Substituted Issuer for the purposes of receiving notices under Condition 18.

## 17.3 Effective Date

A substitution under this Condition 17 takes effect on and from the date specified in the notice given under Condition 17.2 ("**Effective Date**"), which must be a date not earlier than the date on which the notice is given.

## 17.4 Effect of substitution

On, and with effect from, the Effective Date:

- (a) the Substituted Issuer shall assume all of the obligations of the Issuer with respect to the Relevant PD Debt Instruments (whether accrued before or after the Effective Date);

- (b) the Issuer shall be released from all of its obligations as principal debtor under the Relevant PD Debt Instruments; and
- (c) any reference in the Conditions of the Relevant PD Debt Instruments to:
  - (i) the Issuer shall from then on be deemed to refer to the Substituted Issuer; and
  - (ii) the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substituted Issuer.

#### **17.5 No regard to consequences of substitution**

In connection with any substitution effected pursuant to this Condition 17, neither the Issuer nor any Substituted Issuer need have any regard to the consequences of any such substitution for individual PD Debt Instrument Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory and no PD Debt Instrument Holder shall be entitled to claim from the Issuer or any Substituted Issuer under the PD Debt Instruments any indemnification or payment in respect of any tax or other consequences arising from such substitution.

### **18 Notices**

#### **18.1 Bearer PD Debt Instruments**

All notices regarding Bearer PD Debt Instruments shall be published in a leading English language daily newspaper of general circulation in the place specified in the relevant Final Terms or, so long as those PD Debt Instruments are listed on a stock exchange, shall be published in accordance with the rules of that stock exchange. If, and for so long as, Bearer PD Debt Instruments are listed on the Official List and admitted to trading on the Market, notices may also be published on the London Stock Exchange's internet site [www.londonstockexchange.com/home/homepage.htm](http://www.londonstockexchange.com/home/homepage.htm). Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers. Couponholders shall be deemed for all purposes to have notice of any notice given to PD Debt Instrument Holders in accordance with this Condition.

Notices to be given by any Bearer PD Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Bearer PD Debt Instrument or Bearer PD Debt Instruments with the Issuer.

#### **18.2 Registered PD Debt Instruments**

All notices regarding the Registered PD Debt Instruments will be valid if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to the Registered PD Debt Instrument Holder (or, in the case of joint PD Debt Instrument Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.

So long as Registered PD Debt Instruments are listed on a stock exchange, notices shall also be published in accordance with the rules of that stock exchange. If, and for so long as, Registered PD Debt Instruments are listed on the Official List and admitted to trading on the Market, notices may also be published on the London Stock Exchange's internet site [www.londonstockexchange.com/home/homepage.htm](http://www.londonstockexchange.com/home/homepage.htm). Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

Notices to be given by any Registered PD Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Registered PD Debt Instrument or Registered PD Debt Instruments with the Issuer and (if certificated) with the Registrar.



## 19 Governing law and jurisdiction

### 19.1 Governing law

The Agency Agreement is governed by, and shall be construed in accordance with, New South Wales law.

The PD Debt Instruments and the Coupons are governed by, and shall be construed in accordance with, the laws of New South Wales or English law, as specified in the relevant Final Terms.

### 19.2 Jurisdiction of the courts of New South Wales

If the relevant Final Terms specify that the PD Debt Instruments and Coupons are governed by, and construed in accordance with, New South Wales law, this Condition 19.2 applies.

The courts of New South Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the PD Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the PD Debt Instruments ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each PD Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### 19.3 Jurisdiction of the courts of England

If the relevant Final Terms specify that the PD Debt Instruments and Coupons (and any non-contractual obligations arising out of or in connection therewith) are governed by, and construed in accordance with, English law, this Condition 19.3 applies.

- (a) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with (including any non-contractual obligations arising out of or in connection therewith) the PD Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the PD Debt Instruments ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each PD Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (b) The Issuer irrevocably appoints Macquarie Bank Limited, London Branch whose registered office is currently at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on the PD Debt Instruments. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the PD Debt Instrument Holders of such appointment in accordance with Condition 18. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## Form of PD Debt Instruments

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Each Tranche of PD Debt Instruments will be represented upon issue by:

- (a) if such PD Debt Instruments are in bearer form or if definitive PD Debt Instruments are to be made available to PD Debt Instrument Holders, a Temporary Global PD Debt Instrument which will be deposited:
  - (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg and/or another clearing system on the Issue Date with a depositary or common depositary ("**Common Depositary**") on behalf of Euroclear and/or Clearstream, Luxembourg and/or another clearing system;
  - (ii) in the case of a Tranche intended to be cleared through the CMU Service on the Issue Date with a sub-custodian for the CMU Service; or
  - (iii) in the case of a Tranche intended to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg or the CMU Service, as agreed between MGL and the relevant Dealer(s),and will be exchangeable as set out below; or
- (b) PD Debt Instruments in registered form.

Tranches of PD Debt Instruments within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts, but will otherwise be issued on identical terms and conditions. Subject to the following provisions of this paragraph, the PD Debt Instruments of each Series are intended to be fungible with all other PD Debt Instruments of that Series. However, in certain circumstances, PD Debt Instruments of a particular Tranche may not be nor become fungible with PD Debt Instruments of any other Tranche or Tranches forming part of the same Series until a specified time following the issue thereof, all as described in the relevant Final Terms (if any) or (in other cases) as agreed between MGL and the relevant Dealer(s).

PD Debt Instruments in bearer form are exchangeable for PD Debt Instruments in registered form but PD Debt Instruments in registered form are not exchangeable for PD Debt Instruments in bearer form.

Where PD Debt Instruments in registered form are to be issued in respect of a particular Tranche, no certificate or other evidence of title will be issued unless MGL determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation. PD Debt Instruments in registered form which are held (i) in Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system will be registered in the name of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, or (ii) through the CMU Service will be registered in the name of a nominee for the HKMA, in its capacity as operator of the CMU Service.

No interest is payable in respect of a Temporary Global PD Debt Instrument, except as provided below. Upon deposit of a Temporary Global PD Debt Instrument or a Permanent Global PD Debt Instrument (each a "**Global PD Debt Instrument**") with the Common Depositary or, in the case of PD Debt Instruments cleared through the CMU Service, with a sub-custodian for the CMU Service, Euroclear or Clearstream, Luxembourg (or any other relevant clearing system) or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Service, will credit each subscriber with a principal amount of PD Debt Instruments equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg or the CMU Service (and/or any other relevant clearing system) as the holder of a PD Debt Instrument represented by a Global PD Debt Instrument must look solely to Euroclear or Clearstream, Luxembourg or the CMU Service (and/or any other relevant clearing system) (as the case may be) for its share of each payment made by MGL to the bearer of such Global PD Debt Instrument and in relation to all other rights arising under the Global PD Debt Instruments, subject to and in accordance with the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg or the CMU Service (and/or any other relevant clearing system). Such persons shall have no claim directly against MGL in respect of payments due on the PD Debt Instruments for so long as the PD Debt Instruments are represented by such Global PD Debt Instrument and such obligations of MGL will be discharged by payment to the bearer of such Global PD Debt Instrument in respect of the amount so paid. The Global PD Debt Instruments contain provisions which apply to the PD Debt Instruments while they are in global form, some of which modify the effect of the terms and conditions of the PD Debt Instruments set out in this Base Prospectus. The following is a summary of certain of those provisions.

## 1 Exchange

Each Temporary Global PD Debt Instrument is exchangeable (at the cost and expense of MGL) on or after its Exchange Date (as defined below) for a Permanent Global PD Debt Instrument, Bearer PD Debt Instruments in definitive form (“**Definitive PD Debt Instruments**”) or for Registered PD Debt Instruments upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global PD Debt Instrument. Each Permanent Global PD Debt Instrument is exchangeable in whole or in part (if so specified in the relevant Permanent Global PD Debt Instrument) at any time for Registered PD Debt Instruments or on or after its Exchange Date in whole but not in part (at the cost and expense of MGL) for the corresponding Definitive PD Debt Instruments as described below at the option and cost and expense of MGL when:

- (a) Euroclear and/or Clearstream, Luxembourg (and/or any other relevant clearing system) and, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Service, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; and
- (b) in each case:
  - (i) no alternate clearing system succeeds, and performs the obligations under the Global PD Debt Instrument of, the clearing system that is so closed, makes such announcement or permanently ceases business; or
  - (ii) the alternate clearing system is not the holder of the Global PD Debt Instrument; or
  - (iii) accountholders with the clearing system that is so closed, makes such announcement or permanently ceases business, and that have an interest in the Global PD Debt Instrument do not agree to become, and do not become, accountholders with the alternate clearing system.

In addition, any PD Debt Instrument Holder may, by a Default Notice (as defined below), require exchange of that part of a Permanent Global PD Debt Instrument representing such PD Debt Instrument Holder’s entitlement for Definitive PD Debt Instruments or Registered PD Debt Instruments.

Such exchange shall take place on or after the Exchange Date (as defined below).

**“Exchange Date”** means:

- (i) in relation to a Temporary Global PD Debt Instrument, the day falling after the expiry of 40 days after the completion of the distribution of the relevant Tranche, as determined and certified to MGL and each Dealer in respect of the relevant Tranche by the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent; and
- (ii) in relation to a Permanent Global PD Debt Instrument, a day falling not less than 60 days, or in the case of an exchange for Registered PD Debt Instruments 5 days, or in the case of exchange following the giving of a Default Notice 30 days, after that on which the notice requiring exchange is given by the PD Debt Instrument Holder to the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent and on which banks are open for business in the cities in which the specified offices of the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent (and, if applicable, the Registrar) and the relevant clearing system are located.

In exchange for a Permanent Global PD Debt Instrument, MGL will deliver or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive PD Debt Instruments (and/or, where applicable, Registered PD Debt Instruments) corresponding thereto (having attached to them all Coupons in respect of principal and interest which has not already been paid on such Permanent Global PD Debt Instrument and, where applicable, a Talon), security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the schedule to the Agency Agreement. On exchange in full of the Permanent Global PD Debt Instrument, such Permanent Global PD Debt Instrument will be cancelled.

## **2 Payments**

No interest shall be payable in respect of a Temporary Global PD Debt Instrument unless (a) upon due presentation of a Temporary Global PD Debt Instrument for exchange (including, except in the case of exchange for Registered PD Debt Instruments, certification as to non-U.S. beneficial ownership), delivery of a Permanent Global PD Debt Instrument (or, as the case may be, an interest therein), Definitive PD Debt Instruments or Registered PD Debt Instruments is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date; or (b) the term of the Temporary Global PD Debt Instrument is one year or less.

Any payment due in respect of a Temporary Global PD Debt Instrument or a Permanent Global PD Debt Instrument will be made to each of Euroclear and/or Clearstream, Luxembourg (and/or other relevant clearing system) or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Service, in respect of the portion of the Global PD Debt Instrument held for its account. Payments of principal and interest in respect of PD Debt Instruments represented by a Permanent Global PD Debt Instrument will be made (a) against presentation for endorsement and (b) if no further payment falls to be made in respect of the PD Debt Instruments represented thereby, surrender of such Permanent Global PD Debt Instrument to, or to the order of, the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Permanent Global PD Debt Instrument, which endorsement will be prima facie evidence that such payment has been made in respect of the PD Debt Instruments.

## **3 Notices**

So long as the PD Debt Instruments of any Series are represented by a Permanent Global PD Debt Instrument and such Permanent Global PD Debt Instrument is held on behalf of a clearing

system, notices to a PD Debt Instrument Holder whose PD Debt Instruments are represented by such Permanent Global PD Debt Instrument may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account Holders in substitution for publication as required by the Conditions and, so long as the PD Debt Instruments of any Series are listed on a stock exchange, such notices to PD Debt Instrument Holders shall be published in accordance with the rules of that exchange. If that stock exchange is the London Stock Exchange and the rules of that exchange so require, notices to PD Debt Instrument Holders whose PD Debt Instruments are listed may be given by publication of the notice in a daily newspaper with general circulation in Europe (expected to be the *Financial Times*). If, and for so long as, PD Debt Instruments of a Series are listed on the Official List and admitted to trading on the Market, notices may also be published on the London Stock Exchange internet site [www.londonstockexchange.com/home/homepage.htm](http://www.londonstockexchange.com/home/homepage.htm).

#### **4 Prescription**

Claims against MGL in respect of principal and interest on the PD Debt Instruments of any Series while such PD Debt Instruments are represented by a Permanent Global PD Debt Instrument will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate due date.

#### **5 Meetings**

The holder of a Permanent Global PD Debt Instrument will be treated as being two persons for the purposes of any quorum requirements of a meeting of PD Debt Instrument Holders whose PD Debt Instruments are represented thereby and, at any such meeting, as having one vote in respect of each principal amount of PD Debt Instruments equal to the minimum denomination of the PD Debt Instruments for which such Permanent Global PD Debt Instrument so held may be exchanged.

#### **6 Cancellation**

Cancellation of any PD Debt Instrument required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Permanent Global PD Debt Instrument.

#### **7 Redemption at the option of the Issuer**

The option of MGL provided for in Condition 6.2 shall be exercised by MGL giving notice to the PD Debt Instrument Holders in accordance with paragraph 3 above within the time limits set out in and containing the information required by Condition 6.2. In the case of any partial redemption of any Series, the PD Debt Instruments to be redeemed will be selected in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Service, and/or any other relevant clearing system (as the case may be).

#### **8 Redemption at the option of PD Debt Instrument Holders**

The option of the PD Debt Instrument Holders provided for in Condition 6.3 may be exercised by the PD Debt Instrument Holder of the Permanent Global PD Debt Instrument giving notice to the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent, within the time limits relating to the deposit of PD Debt Instruments with the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent, substantially in the form of the redemption notice available from the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent and stating the principal amount of PD Debt Instruments in respect of which the option is

exercised and at the same time presenting the Permanent Global PD Debt Instrument to the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent for notation according to the schedule thereto.

## 9 Direct Enforcement Rights

The holder of any Global PD Debt Instrument may from time to time exercise the right to declare PD Debt Instruments represented by that Global PD Debt Instrument due and repayable following an Event of Default in accordance with the Conditions by stating in a notice ("**Default Notice**") given to the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent, the principal amount of PD Debt Instruments (which may be less than the outstanding principal amount hereof) to which such notice relates.

If principal in respect of any PD Debt Instruments is not paid when due (but subject as provided below), the Holder of the Global PD Debt Instrument may from time to time elect that Direct Rights under the provisions of (and as defined in) a deed of covenant entered into by MGL in respect of those PD Debt Instruments in favour of the Relevant Account Holders (as defined in that deed) ("**Deed of Covenant**") (a copy of which is available for inspection at the specified office of the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent and which MGL acknowledges to apply to the PD Debt Instruments represented by this Global PD Debt Instrument) shall come into effect in respect of a principal amount of PD Debt Instruments up to the aggregate principal amount in respect of which one or more Default Notices have been given. Upon each such Default Notice being given, the Global PD Debt Instrument shall become void to the extent of the principal amount stated in such Default Notice, save to the extent that the Direct Rights fail to take effect, for whatever reason.

No such election may however be made on or before an Exchange Date unless the PD Debt Instrument Holder elects in such notice that the exchange of the PD Debt Instruments to which such election relates shall no longer take place.

# Form of Retail Final Terms

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*(Applicable to PD Debt Instruments with a minimum denomination of less than €100,000 (or its equivalent in another currency))*

FINAL TERMS DATED [●]

MACQUARIE GROUP LIMITED

(ABN 94 122 169 279)

*(incorporated with limited liability in the Commonwealth of Australia)*

Issue of

*[Currency and Principal Amount of Tranche]*

*[Type of PD Debt Instruments]* due [●]

[Current Programme Limit]  
DEBT INSTRUMENT PROGRAMME

## PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (“**Conditions**”) set forth in the Base Prospectus dated 21 June 2013 [and the supplement[s] to such Base Prospectus dated [●] [and [●]] ([together] “**Supplement[s] to the Base Prospectus**”)] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Article 5.4 of Directive (2003/71/EC, as amended) (the “**Prospectus Directive**”). This document constitutes the final terms of a Tranche of PD Debt Instruments described herein (“**PD Debt Instruments**”) for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the PD Debt Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the PD Debt Instruments (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is attached to these Final Terms. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [has] [have] been published on the website of the London Stock Exchange in accordance with Article 14 of the Prospectus Directive and [is] [are] available for viewing on the internet site [www.macquarie.com.au](http://www.macquarie.com.au) and during normal business hours copies may be obtained from the offices of [the I&P Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB / the CMU Lodging Agent, Deutsche Bank AG, Hong Kong Branch at 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong].

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (“**Conditions**”) set forth in the Base Prospectus dated [●] which are incorporated by reference into the Base Prospectus dated 21 June 2013. This document constitutes the final terms of a Tranche of [type of PD Debt Instruments] described herein (“**PD Debt Instruments**”) for the purposes of Article 5.4 of Directive (2003/71/EC, as amended) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 21 June 2013 [and the supplement[s] to such Base Prospectus dated [●] [and [●]] ([together] “**Supplement[s] to the Base Prospectus**”)] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Article 5.4 of

the Prospectus Directive.

Full information on the Issuer and the offer of the PD Debt Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the PD Debt Instruments (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is attached to these Final Terms. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [has] [have] been published on the website of the London Stock Exchange in accordance with Article 14 of the Prospectus Directive and [is] [are] available for viewing on the internet site [www.macquarie.com.au](http://www.macquarie.com.au) and during normal business hours copies may be obtained from the offices of [the I&P Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB / the CMU Lodging Agent, Deutsche Bank AG, Hong Kong Branch at 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong].]

1. Issuer: Macquarie Group Limited
2. (i) Series Number: [●]  
(ii) Tranche Number: [●]  
  
[The PD Debt Instruments will be consolidated and form a single series with [●] [on the Issue Date / upon exchange of the Temporary Global PD Debt Instrument for interests in the Permanent Global PD Debt Instrument, as referred to in paragraph 24 below, which is expected to occur on or about [●]]
3. Specified Currency [or Currencies]: [●]
4. Aggregate Nominal Amount: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. Specified Denominations: [●]
7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: [[●] / Issue Date]
8. Maturity Date: [[●] / Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●]% Fixed Rate]  
[[LIBOR/EURIBOR/BBSW/BKBM/HIBOR/BA-CDOR/SIBOR] +/- [●]% Floating Rate]  
[Fixed / Floating Rate]  
[Zero Coupon]
10. Default Interest (Condition 5.5(d)): [[●] / Not Applicable]
11. Redemption Basis: [Redemption at par / [●]]



- |     |                                    |  |
|-----|------------------------------------|--|
| 12. | Change of Interest Basis:          | [Applicable. [Fixed/Floating Rate Interest Basis.] See paragraph 9 above and paragraph 18 below /Not Applicable] |
| 13. | Put / Call Options:                | [[Investor Put/ Issuer Call] (see paragraph [19 / 20] below) / Not Applicable]                                   |
| 14. | Status of the PD Debt Instruments: | [Unsubordinated / Subordinated]  |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- |     |   |  |
|-----|---|--|
| 15. | <b>Fixed Rate PD Debt Instrument Provisions:</b>    | [Applicable [in respect of the period from, and including [●], to but excluding [●] (see paragraph 18 below)] - See Condition 5.2 / Not Applicable]  |
|     | (i) Interest Rate:                                  | [●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear]   |
|     | (ii) Interest Payment Date(s):                      | [●] in each year [(adjusted in accordance with the Business Day Convention)] [commencing on [●]]   |
|     | (iii) Fixed Coupon Amount:                          | [●] per [●] in Nominal Amount  |
|     | (iv) Broken Amount:                                 | [Initial Broken Amount: [●] / Final Broken Amount: [●] / Not Applicable]   |
|     | (v) Day Count Fraction:                             | [Actual/365] / [Actual/Actual] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [30E/360 (ISDA)] / [Australian Bond Basis] / [Actual/Actual-ICMA] |
|     | (vi) Business Day Convention:                       | [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]   |
|     | (vii) Interest Determination Dates:                 | [[●] / Not Applicable]   |
| 16. | <b>Floating Rate PD Debt Instrument Provisions:</b> | [Applicable [in respect of the period from, and including [●], to but excluding [●] (see paragraph 18 below)] - see Condition 5.3 / Not Applicable]  |
|     | (i) Interest Periods:                               | [●]  |
|     | (ii) Interest Payment Date(s):                      | [●]  |
|     | (iii) Business Day Convention:                      | [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]  |
|     | (iv) Relevant Financial Centre(s):                  | [London / Brussels / Sydney / Auckland and Wellington / Hong Kong / Toronto / Singapore]   |
|     | (v) Manner in which the Interest Rate(s) are to be  | [ISDA Determination / Screen Rate Determination /  |

	determined:	Bank Bill Rate Determination]
(vi)	Party responsible for calculating the Interest Rate(s) and Interest Amount(s):	Calculation Agent: [●]
(vii)	ISDA Determination:	[Applicable / Not Applicable]
	- Floating Rate Option:	[●]
	- Designated Maturity:	[●]
	- Reset Date:	[●]
(viii)	Screen Rate Determination:	[Applicable / Not Applicable]
	- Reference Rate:	[LIBOR/EURIBOR/BBSW/BKBM/HIBOR/BA-CDOR/SIBOR]
	- Interest Determination Date(s):	[●]
	- Relevant Screen Page:	[●]
	- Relevant Time:	[11.00 a.m. / 10.30 a.m.]
	- Reference Banks:	[●]
	- Principal Financial Centre:	[[●] / Condition [5.3(b)(i) / 5.3(b)(ii)] will apply]
(ix)	Margin:	[+/-] [●]
(x)	Minimum Interest Rate:	[●]
(xi)	Maximum Interest Rate:	[●]
(xii)	Day Count Fraction:	[Actual/365] / [Actual/Actual] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [30E/360 (ISDA)] / [Australian Bond Basis] / [Actual/Actual-ICMA]
(xiii)	Fallback Interest Rate:	[●]
(xiv)	Representative Amount:	[●]
17.	<b>Zero Coupon PD Debt Instrument Provisions:</b>	[Applicable / Not Applicable]
	(i) Accrual Yield:	[Not Applicable / [●] per cent. per annum]
	(ii) Amortisation Yield:	[Not Applicable / [●] per cent. per annum]
	(iii) Reference Price:	[Not Applicable / [●]]

(iv) Day Count Fraction: [Actual/365] / [Actual/Actual] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [30E/360 (ISDA)] / [Australian Bond Basis] / [Actual/Actual-ICMA]

18. **Fixed/Floating Rate Interest Basis Provisions:** [Applicable / Not Applicable]

(i) First Interest Basis: [[Fixed Rate / Floating Rate] [in accordance with paragraph [15/16] above and Condition 5.4]

(ii) Second Interest Basis: [[Fixed Rate / Floating Rate] [in accordance with paragraph [15/16] above and Condition 5.4]

(iii) Interest Basis Conversion Date: [•]

## PROVISIONS RELATING TO REDEMPTION

19. **Redemption at Issuer's option (Call):** [Not Applicable / Condition 6.2 is Applicable]

(i) Early Redemption Amount (Call): [Outstanding principal amount / [•]]

(ii) If redeemable in part: [Applicable / [•]]

(iii) Notice period: [Minimum: 30 / [•] days ]

[Maximum: 60 / [•] days ]

20. **Redemption at PD Debt Instrument holder's option (Put):** [Not Applicable / Condition 6.3 is Applicable]

(i) Early Redemption Amount (Put): [Outstanding principal amount / [•] ]

(ii) Notice period: [Minimum: 30 / [•]] days ]

[Maximum: 60 / [•]] days ]

21. **Final Redemption Amount of each PD Debt Instrument:** [Not Applicable / Maturity Redemption Amount: [•]]

22. **Redemption at Issuer's option for loss of deductibility (Condition 6.5) / regulatory reasons (Condition 6.6):** [Not Applicable / Condition 6.5 is Applicable / Condition 6.6 is Applicable]

(i) Option Redemption Date(s): [•]

(ii) Option Redemption Amount(s) of each PD Debt Instrument and method, if any, of calculation of such [•]

amount:

- (iii) If redeemable in part: [Applicable/[●]]
- (iv) Notice period: [Minimum: [30 / [●]] days]
- [Maximum: [60 / [●]] days]

**23. Early Redemption Amount**

- (i) Early Redemption Amount (Tax) (Condition 6.4): [Outstanding principal amount / [●]]
- (ii) Early Redemption Amount (Default) (Condition 9.1): [Outstanding principal amount / [●]]

**GENERAL PROVISIONS APPLICABLE TO THE PD DEBT INSTRUMENTS**

**24. Form of PD Debt Instrument:**

- (i) Form: [Bearer / Registered]
- [Bearer (Condition 1.1).
- Temporary Global PD Debt Instrument exchangeable for a Permanent Global PD Debt Instrument upon certification as to non-US beneficial ownership no earlier than 40 days after the completion of distribution of the PD Debt Instruments as determined by the Issuing and Paying Agent, which is exchangeable for Definitive PD Debt Instruments in certain limited circumstances.]
- [Bearer (Condition 1.1)
- On issue the PD Debt Instruments will be represented by a PD Debt Instrument in permanent global form, exchangeable for PD Debt Instruments in definitive form in certain limited circumstances.]
- (ii) Type: [Fixed Rate PD Debt Instrument / Floating Rate PD Debt Instrument / Fixed/Floating Interest Rate Basis PD Debt Instrument / Zero Coupon PD Debt Instrument]

**25. Additional Business Centre: [[●] / Not Applicable]**

**26. Talons for future Coupons to be attached to Definitive PD Debt Instruments (and dates on which such Talons mature): [No / Yes, as the PD Debt Instruments have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]**

**27. Governing law: [English law / The laws of New South Wales]**

**28. Place for notices: [[●] / Condition [18.1 / 18.2] will apply]**

29. Public Offer: [Applicable - see Paragraph 7 of Part B below / Not Applicable]

## DISTRIBUTION

30. (i) If syndicated, names [and addressed] of Dealers [and underwriting commitments]: [[●] / Not Applicable]

[(ii)] [Date of Subscription Agreement:] [[●]]

(iii) Names and addresses of secondary market trading and main terms of commitment: [[●] / Not Applicable]

31. If non-syndicated, name [and address] of Dealer [[●] / Not Applicable]

32. U.S. Selling Restrictions: TEFRA: [Not Applicable / C Rules / D Rules]

## CONFIRMED

### MACQUARIE GROUP LIMITED

By:  
[Authorised Person]

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing Application [has been / will be] made for the PD Debt Instruments to be listed on the Official List of the UK Listing Authority with effect from [●]
- (ii) Admission to trading: Application [has been / will be] made for the PD Debt Instruments to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from [●]

### 2. RATINGS

Ratings: [The PD Debt Instruments to be issued have not been rated by any rating agency.]

[The PD Debt Instruments to be issued [have been rated / are expected to be rated] by the following ratings agency(ies):

[Standard and Poor's (Australia) Pty Ltd: [●]]

[Moody's Investors Service Pty Limited: [●]]

[Fitch Australia Pty Ltd: [●]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE / OFFER]

Save for the fees payable to [●] [and [●]] as [a] Dealer[s] (as generally discussed in "Subscription and Sale" on pages 122 to 131 of the Base Prospectus dated 21 June 2013), so far as the Issuer is aware, no person involved in the offer of the PD Debt Instruments has an interest material to the offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS, ESTIMATED TOTAL EXPENSES AND USE OF PROCEEDS

- (i) Reasons for the offer:
- (ii) Estimated net proceeds:
- (iii) Estimated total expenses:
- (iv) Use of proceeds:

### 5. YIELD (Fixed Rate PD Debt Instruments only)

Indication of yield: [●]

### 6. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code:	[●]
CUSIP:	[●]
CMU instrument number	[●]
Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme or the CMU Service and the relevant identification number(s):	[Not Applicable / Austraclear system / ●]
Delivery:	Delivery [against / free of] payment
Issuing and Paying Agent:	[Deutsche Bank AG, London Branch / [●]]
[Additional Paying Agent(s) (if any):]	[Not Applicable / ●]
CMU Lodging Agent	[Not Applicable / [Deutsche Bank AG, Hong Kong Branch] / [●]]
Registrar:	[●]
Transfer Agent:	[●]
Common Depositary:	[Not Applicable / [●]]
Place of delivery of Definitive PD Debt Instruments:	[●]

## 7. TERMS AND CONDITIONS OF THE PUBLIC OFFER

(i) Offer Period:	[●]
(ii) Offer Price:	[Issue Price / [●]]
(iii) Conditions to which the offer is subject:	[Not Applicable / [●]]
(iv) Application process:	[Not Applicable / [●]]
(v) Reduction of subscriptions:	[Not Applicable / [●]]
(vi) Manner for refunding excess amount paid by applicants:	[Not Applicable / [●]]
(vii) Minimum amount of application:	[Not Applicable / [●]]
(viii) Maximum amount of application:	[Not Applicable / [●]]
(ix) Method and time limits for paying up and delivering PD	[Not Applicable / [●]]

Debt Instruments:

- |  |                                  |
|--|----------------------------------|
| (x) Manner in and date on which results of the offer are to be made public:  | [Not Applicable / [●]]           |
| (xi) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:  | [Not Applicable / [●]]           |
| (xii) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:      | [Not Applicable / [●]]           |
| (xiii) Amount of any expenses and taxes specifically charged to subscribers or purchasers of PD Debt Instruments:                                  | [Not Applicable / [●]]           |
| (xiv) Name(s) and address(es) (to the extent known to the Issuer) of the Authorised Offerors in the various countries where the offer takes place: | [None known to the Issuer / [●]] |



## ANNEX – ISSUE SPECIFIC SUMMARY

*[Issuer to annex issue specific summary to the Final Terms]*

# Form of Wholesale Final Terms

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*(Applicable to PD Debt Instruments with a minimum denomination of at least €100,000 (or its equivalent in another currency))*

FINAL TERMS DATED [●]

MACQUARIE GROUP LIMITED

(ABN 94 122 169 279)

*(incorporated with limited liability in the Commonwealth of Australia)*

Issue of

*[Currency and Principal Amount of Tranche]*

*[Type of PD Debt Instruments]* due [●]

[Current Programme Limit]  
DEBT INSTRUMENT PROGRAMME

## PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (“**Conditions**”) set forth in the Base Prospectus dated 21 June 2013 [and the supplement[s] to such Base Prospectus dated [●] [and [●]] ([together] “**Supplement[s] to the Base Prospectus**”)] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Article 5.4 of Directive (2003/71/EC, as amended) (the “**Prospectus Directive**”). This document constitutes the final terms of a Tranche of PD Debt Instruments described herein (“**PD Debt Instruments**”) for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the PD Debt Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the PD Debt Instruments (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is attached to these Final Terms. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [has] [have] been published on the website of the London Stock Exchange in accordance with Article 14 of the Prospectus Directive and [is] [are] available for viewing on the internet site [www.macquarie.com.au](http://www.macquarie.com.au) and during normal business hours copies may be obtained from the offices of [the I&P Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB / the CMU Lodging Agent, Deutsche Bank AG, Hong Kong Branch at 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong].

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (“**Conditions**”) set forth in the Base Prospectus dated [●] which are incorporated by reference into the Base Prospectus dated 21 June 2013. This document constitutes the final terms of a Tranche of [type of PD Debt Instruments] described herein (“**PD Debt Instruments**”) for the purposes of Article 5.4 of Directive (2003/71/EC, as amended) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 21 June 2013 [and the supplement[s] to such Base Prospectus dated [●] [and [●]] ([together] “**Supplement[s] to the Base Prospectus**”)] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer and the offer of the PD Debt Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the PD Debt Instruments (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is attached to these Final Terms. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [has] [have] been published on the website of the London Stock Exchange in accordance with Article 14 of the Prospectus Directive and [is] [are] available for viewing on the internet site [www.macquarie.com.au](http://www.macquarie.com.au) and during normal business hours copies may be obtained from the offices of [the I&P Agent, Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB / the CMU Lodging Agent, Deutsche Bank AG, Hong Kong Branch at 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong].]

1. Issuer: Macquarie Group Limited
2. (i) Series Number: [●]  
(ii) Tranche Number: [●]  
  
[The PD Debt Instruments will be consolidated and form a single series with [●] [on the Issue Date / upon exchange of the Temporary Global PD Debt Instrument for interests in the Permanent Global PD Debt Instrument, as referred to in paragraph 24 below, which is expected to occur on or about [●]]]
3. Specified Currency [or Currencies]: [●]
4. Aggregate Nominal Amount: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. Specified Denominations: [[●] / €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No PD Debt Instruments in definitive form will be issued with a denomination above €199,000]
7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: [[●] / Issue Date]
8. Maturity Date: [[●] / Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●]% Fixed Rate]  
[[LIBOR/EURIBOR/BBSW/BKBM/HIBOR/BA-CDOR/SIBOR] +/- [●]% Floating Rate]  
[Fixed/Floating Rate]  
[Zero Coupon]
10. Default Interest (Condition 5.5(d)): [[●] / Not Applicable]
11. Redemption Basis: [Redemption at par / [●]]

12. Change of Interest Basis: [Applicable. [Fixed/Floating Rate Interest Basis.] See paragraph 9 above and paragraph 19 below / Not Applicable]
13. Put / Call Options: [[Investor Put/ Issuer Call] (see paragraph [19 / 20] below) / Not Applicable]
14. Status of PD Debt Instruments: [Unsubordinated / Subordinated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate PD Debt Instrument Provisions:** [Applicable [in respect of the period from, and including [●], to but excluding [●] (see paragraph 18 below)] - See Condition 5.2 / Not Applicable]
- (i) Interest Rate: [●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Business Day Convention] [commencing on [●]]]
- (iii) Fixed Coupon Amount: [●] per [●] in Nominal Amount
- (iv) Broken Amount: [Initial Broken Amount: [●] / Final Broken Amount: [●] / Not Applicable]
- (v) Day Count Fraction: [Actual/365] / [Actual/Actual] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [30E/360 (ISDA)] / [Australian Bond Basis] / [Actual/Actual-ICMA]
- (vi) Business Day Convention: [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
- (vii) Interest Determination Dates: [[●] / Not Applicable]
16. **Floating Rate PD Debt Instrument Provisions:** [Applicable [in respect of the period from, and including [●], to but excluding [●] (see paragraph 18 below)] - see Condition 5.3 / Not Applicable]
- (i) Interest Periods: [●]
- (ii) Interest Payment Date(s): [●]
- (iii) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
- (iv) Relevant Financial Centre(s): [London / Brussels / Sydney / Auckland and Wellington / Hong Kong / Toronto / Singapore]
- (v) Manner in which the Interest Rate(s) are to be [ISDA Determination / Screen Rate Determination / Bank Bill Rate Determination]

determined:

- (vi) Party responsible for calculating the Interest Rate(s) and Interest Amount(s): Calculation Agent: [●]
- (vii) ISDA Determination: [Applicable / Not Applicable]
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (viii) Screen Rate Determination: [Applicable / Not Applicable]
- Reference Rate: [LIBOR/EURIBOR/BBSW/BKBM/HIBOR/BA-CDOR/SIBOR]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
  - Relevant Time: [●]
  - Reference Banks: [●]
  - Principal Financial Centre: [[●] / Condition [5.3(b)(i) / 5.3(b)(ii)] will apply]
- (ix) Margin: [+/-] [●]
- (x) Minimum Interest Rate: [●]
- (xi) Maximum Interest Rate: [●]
- (xii) Day Count Fraction: [Actual/365] / [Actual/Actual] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [30E/360 (ISDA)] / [Australian Bond Basis] / [Actual/Actual-ICMA]
- (xiii) Fallback Interest Rate: [●]
- (xiv) Representative Amount: [●]

17. **Zero Coupon PD Debt Instrument Provisions:** [Applicable / Not Applicable]

- (i) Accrual Yield: [Not Applicable / [●] per cent. per annum]
- (ii) Amortisation Yield: [Not Applicable / [●] per cent. per annum]
- (iii) Reference Price: [Not Applicable / [●]]

- (iv) Day Count Fraction: [●]
18. **Fixed/Floating Rate Interest Basis Provisions:** [Applicable / Not Applicable]
- (i) First Interest Basis: [[Fixed Rate / Floating Rate] in accordance with paragraph [15/16] above and Condition 5.4]
- (ii) Second Interest Basis: [[Fixed Rate / Floating Rate] in accordance with paragraph [15/16] above and Condition 5.4]
- (iii) Interest Basis Conversion Date: [●]

#### PROVISIONS RELATING TO REDEMPTION

19. **Redemption at Issuer's option (Call):** [Not Applicable / Condition 6.2 is Applicable]
- (i) Early Redemption Amount (Call): [Outstanding principal amount / [●] ]
- (i) If redeemable in part: [Applicable / [●]]
- (iii) Notice period: [Minimum: 30 / [●] days ]  
[Maximum: 60 / [●] days ]
20. **Redemption at PD Debt Instrument Holder's option (Put):** [Not Applicable / Condition 6.3 is Applicable]
- (i) Early Redemption Amount (Put): [Outstanding principal amount / [●]]
- (ii) Notice period: [Minimum: 30 / [●]] days ]  
[Maximum: 60 / [●]] days ]
21. **Final Redemption Amount of each PD Debt Instrument:** [Not Applicable / Maturity Redemption Amount: [●]]
22. **Redemption at Issuer's option for loss of deductibility (Condition 6.5) / regulatory reasons (Condition 6.6):** [Not Applicable / Condition 6.5 is Applicable / Condition 6.6 is Applicable]
- (i) Option Redemption Date(s): [●]
- (ii) Option Redemption Amount(s) of each PD Debt Instrument and method, if any, of calculation of such amount: [●]
- (iii) If redeemable in part: [Applicable/[●]]
- (iv) Notice period: [Minimum: [30 / [●]] days]

[Maximum: [60 / [●]] days]

23. **Early Redemption Amount**

- (i) Early Redemption Amount (Tax) (Condition 6.4): [Outstanding principal amount / [●] ]
- (ii) Early Redemption Amount (Default) (Condition 9.1): [Outstanding principal amount / [●] ]

**GENERAL PROVISIONS APPLICABLE TO THE PD DEBT INSTRUMENTS**

24. Form of PD Debt Instrument:

- (i) Form: [Bearer / Registered]  
[Bearer (Condition 1.1).

Temporary Global PD Debt Instrument exchangeable for a Permanent Global PD Debt Instrument upon certification as to non-US beneficial ownership no earlier than 40 days after the completion of distribution of the PD Debt Instruments as determined by the Issuing and Paying Agent, which is exchangeable for Definitive PD Debt Instruments in certain limited circumstances.]

[Bearer (Condition 1.1)

On issue the PD Debt Instruments will be represented by a PD Debt Instrument in permanent global form, exchangeable for PD Debt Instruments in definitive form in certain limited circumstances.]

- (ii) Type: [Fixed Rate PD Debt Instrument / Floating Rate PD Debt Instrument / Fixed/Floating Interest Rate Basis PD Debt Instrument / Zero Coupon PD Debt Instrument]

25. Additional Business Centre: [[●] / Not Applicable]

26. Talons for future Coupons to be attached to Definitive PD Debt Instruments (and dates on which such Talons mature): [No / Yes, as the PD Debt Instruments have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]

27. Governing law: [English law / The laws of New South Wales]

28. Place for notices: [[●] / Condition [18.1 / 18.2] will apply]

29. Public Offer: Not Applicable

**DISTRIBUTION**

30. U.S. Selling Restrictions: TEFRA: [Not Applicable / C Rules / D Rules]

CONFIRMED

MACQUARIE GROUP LIMITED

By:  
[Authorised Person]



## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Application [has been / will be] made for the PD Debt Instruments to be listed on the Official List of the UK Listing Authority with effect from [●]
- (ii) Admission to trading: Application [has been / will be] made for the PD Debt Instruments to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from [●]

### 2. RATINGS

Ratings: [The PD Debt Instruments to be issued have not been rated by any rating agency.]

[The PD Debt Instruments to be issued [have been rated / are expected to be rated] by the following ratings agency(ies):

[Standard and Poor's (Australia) Pty Ltd: [●]]

[Moody's Investors Service Pty Limited: [●]]

[Fitch Australia Pty Ltd]: [●]]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE / OFFER]

Save for the fees payable to [●] [and [●]] as [a] Dealer[s] (as generally discussed in "Subscription and Sale" on pages 122 to 131 of the Base Prospectus dated 21 June 2013), so far as the Issuer is aware, no person involved in the offer of the PD Debt Instruments has an interest material to the offer.

### 4. TOTAL EXPENSES

Estimated Total Expenses [●]

### 5. YIELD (Fixed Rate PD Debt Instruments only)

Indication of yield: [●]

### 6. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

CUSIP: [●]

CMU instrument number [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme or the CMU Service and the relevant identification number(s):	[Not Applicable / Austraclear system / ●]
Delivery:	Delivery [against / free of] payment
Issuing and Paying Agent:	[Deutsche Bank AG, London Branch]/[●]
[Additional Paying Agent(s) (if any):]	[Not Applicable / ●]
CMU Lodging Agent	[Not Applicable / [Deutsche Bank AG, Hong Kong Branch] / [●]]
Registrar:	[●]
Transfer Agent:	[●]
Common Depositary:	[Not Applicable / [●]]
Place of delivery of Definitive PD Debt Instruments:	[●]

## ANNEX – ISSUE SPECIFIC SUMMARY

*[Issuer to annex issue specific summary to the Final Terms]*

# Macquarie Group Limited

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## Information about Macquarie Group Limited

MGL is the ultimate holding company for all other companies and entities within the Macquarie Group. As at the date of this Base Prospectus, MGL is not a subsidiary of, nor controlled by, any other company.

MGL (ABN 94 122 169 279) was incorporated on 12 October 2006 with limited liability for an unlimited duration. It is incorporated in Australia, registered in Victoria and is regulated by the Corporations Act.

The registered office of MGL is at Level 7, No. 1 Martin Place, Sydney 2000, New South Wales, Australia. MGL's principal place of business is Level 7, No. 1 Martin Place, Sydney 2000, New South Wales, Australia. The telephone number of MGL's principal place of business is + 61 2 8232 3333.

MGL complies with the ASX Corporate Governance Council's Principles of Corporate Governance and Recommendations, except to the extent publicly disclosed in any annual report of MGL.

MGL is an ASX-listed diversified financial services holding company headquartered in Sydney, Australia and regulated as a non-operating holding company of an Australian ADI by APRA, the prudential regulator of the Australian financial services industry. The Macquarie Group provides banking, financial, advisory, investment and funds management services through client driven businesses which generate income by providing a diversified range of services to clients. The Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world.

The Macquarie Group's operations are conducted primarily through two groups – the **"Banking Group"**, consisting of MBL and its controlled entities and the **"Non-Banking Group"**, consisting of most of the activities of Macquarie Capital; the Cash division of Macquarie Securities and certain activities of the Derivatives division, in each case, in certain jurisdictions; the Macquarie Infrastructure and Real Assets division of Macquarie Funds; and certain assets of the credit trading business and certain less financially significant activities of Fixed Income, Currencies and Commodities. Further details of the Banking Group and the Non-Banking Group are provided below.

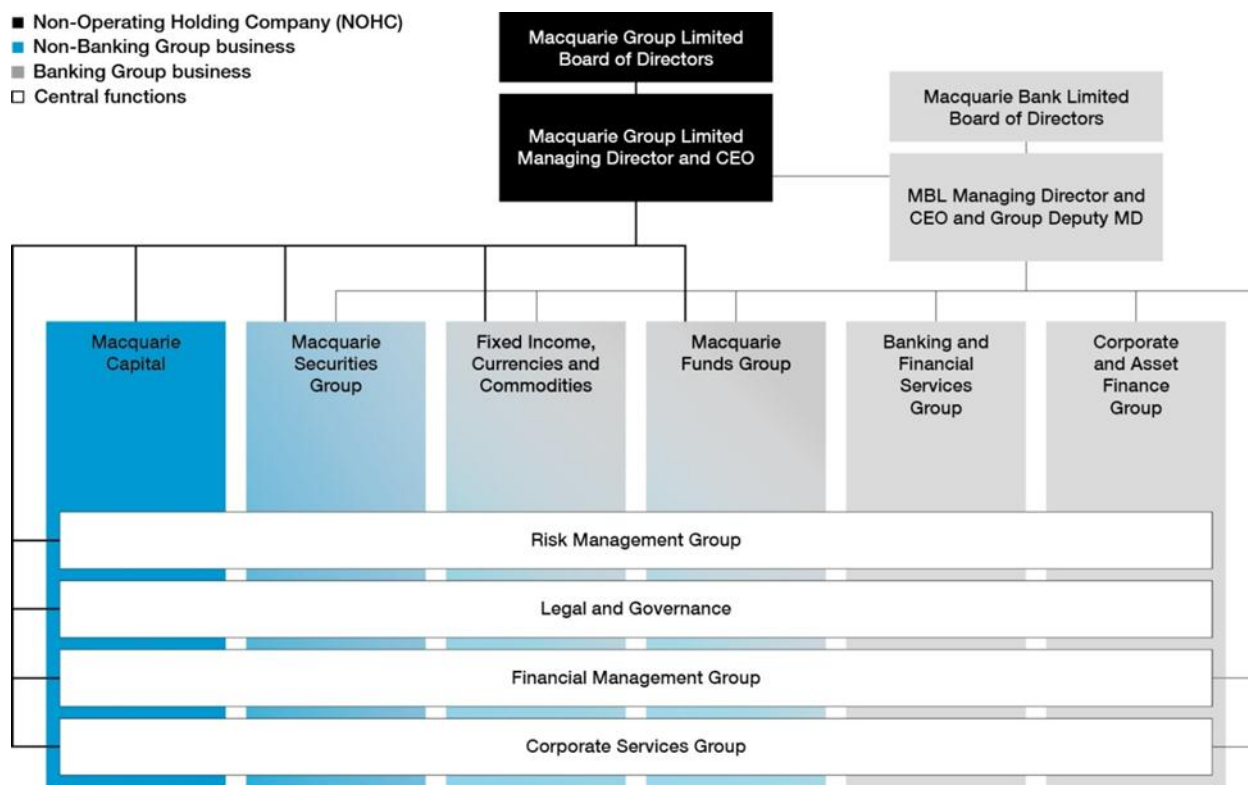
On 13 November 2007, MGL became the ultimate holding company of MBL and its controlled entities. As such, the historical consolidated financial statements of MBL reflect the historical results of operations and financial condition of MGL's businesses, with certain limited exceptions.

As at 31 March 2013, the Group employed over 13,600 staff and had total assets of A\$150.8 billion and total equity of A\$11.9 billion.

For the year ending 31 March 2013, the Group's net operating income was A\$6.7 billion and profit attributable to ordinary equity holders was A\$851 million, with 63% of the Macquarie Group's total operating income (excluding earnings on capital and other corporate items) derived from regions outside Australia.

## Organisational Structure

As at 31 March 2013, MGL's organisational structure was as follows:



MBL and MGL have corporate governance and policy frameworks that meet APRA's requirements for Australian ADIs and non-operating ADI holding companies, respectively. The Banking Group and the Non-Banking Group operate as separate sub-groups within MGL with clearly identifiable businesses, separate capital requirements and discrete funding programmes. Although the Banking Group and the Non-Banking Group will operate as separate sub-groups MGL views both as integral to the Macquarie Group's identity and strategy as they assist the Macquarie Group in continuing to pursue value adding and diversified business opportunities while meeting APRA requirements.

## Shared Services

The Macquarie Group provides shared services to both the Banking Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and comprises four central functions: Risk Management, Legal and Governance, Financial Management and Corporate Operations. Shared services include: Risk Management, Finance, Information Technology, Group Treasury, Settlement Services, Equity Markets Operations, Human Resources Services, Business Services, Company Secretarial, Media Relations, Corporate Communications and Investor Relations Services, Taxation Services, Business Improvement and Strategy Services, Central Executive Services, other Group-wide Services, Business Shared Services, and other services as may be agreed from time to time.

## Business Overview

The following describes the Banking and Non-Banking Groups' operations.

### *Overview of Banking Group*

MBL is headquartered in Sydney, Australia and is an Australian ADI regulated by APRA that, directly and through subsidiaries, engages in Australian and international financial services businesses.

MBL began in 1969 as the merchant bank Hill Samuel Australia Limited, a wholly owned subsidiary of Hill Samuel & Co. Limited, London. Authority for MBL to conduct banking business in Australia was received from the Australian Federal Treasurer on 28 February, 1985.

MBL's ordinary shares were listed on ASX on 29 July, 1996 until the corporate restructuring of the Macquarie Group in November 2007. Although MBL's ordinary shares are no longer listed on ASX, MBL's Macquarie Income Securities continue to be listed on ASX and accordingly, MBL remains subject to the disclosure and other requirements of ASX as they apply to ASX Debt Listings.

As at 31 March 2013, the Banking Group conducted its operations in over 20 countries.

The Banking Group comprises five operating groups: Corporate & Asset Finance; Banking & Financial Services; Macquarie Funds (excluding the Macquarie Infrastructure and Real Assets division); Fixed Income, Currencies & Commodities (excluding certain assets of the Credit Trading business and some other less financially significant activities) and Macquarie Securities (excluding the Cash division and certain activities of the Derivatives division, in each case, in certain jurisdictions).

### *Overview of Non-Banking Group*

The following operating group, divisions and activities form the Non-Banking Group:

- Macquarie Capital which provides expert advice in areas such as mergers and acquisitions, takeovers, corporate restructuring advice, equity capital markets, debt capital markets, equity and debt capital management, and raises capital for clients in private and public markets. It also undertakes principal investing activities.
- The Cash division of Macquarie Securities and certain activities of the Derivatives division, in each case, in certain jurisdictions. The Cash division is a full-service institutional cash equities broker in the Asia Pacific region, South Africa and Canada. In the rest of the world, it operates as a specialized institutional cash equities broker. It provides equity capital markets products and services through a joint venture with Macquarie Capital.
- The Macquarie Infrastructure and Real Assets division of Macquarie Funds which manages alternative assets, specialising in infrastructure, real estate, agriculture, energy and other asset classes via public and private funds, co-investments, partnerships and separately managed accounts.
- Certain assets of the Credit Trading business and other less financially significant activities of the Fixed Income, Currencies and Commodities operating group.

## Principal Markets

MGL is an ASX-listed diversified financial services holding company headquartered in Sydney, Australia and regulated as a non-operating holding company of an Australian ADI by APRA. As a provider of banking, financial, advisory, investment and funds management services, the Macquarie Group acts on behalf of institutional, corporate and retail clients and counterparties around the world.

## Trend Information

There has been no material adverse change in the prospects of MGL since the date of its last published audited financial statements (such date being 31 March 2012).

Except as may be described in this Base Prospectus (including as set out under “Risk Factors” on pages 24 to 37 inclusive of this Base Prospectus) or released to the ASX in compliance with the continuous disclosure requirements of the Listing Rules of the ASX, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on MGL’s prospects for at least the current financial year.

## Profit Estimate

MGL does not make profit forecasts or estimates.

## Lawsuits and Contingent liabilities

The Macquarie Group is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group has been subject to legal claims most of which have lapsed without liability.

The Macquarie Group has contingent liabilities in respect of actual and potential claims and proceedings that have not been determined. An assessment of likely losses is made on a case-by-case basis for the purposes of Macquarie Group’s financial statements and specific provisions that MGL considers appropriate are made, as described in Note 37 to Macquarie Group’s financial statements for the year ended 31 March 2013.

On 22 December 2010, ASIC commenced legal proceedings in the Federal Court of Australia (the “**Court**”) against a number of banking institutions, including Macquarie Bank. In one set of proceedings (“**First Proceeding**”) ASIC is seeking compensation for investors arising out of the collapse of Storm Financial Limited (“**Storm**”) for an alleged breach of contract, contravention of the statutory prohibitions against unconscionable conduct and liability as linked credit providers of Storm under section 73 of the Trade Practices Act 1974 of Australia. In another set of proceedings (“**Second Proceeding**”), ASIC alleges that there was an unregistered managed investment scheme in which the relevant banks were involved. As at the date of this Base Prospectus, the First Proceeding has settled. Macquarie Bank, the other bank in the First Proceeding, ASIC and the investors in the First Proceeding agreed that the First Proceeding will be dismissed and on 28 May 2013 the Court dismissed the First Proceeding on that basis. The settlement amount to be paid to the investors in the First Proceeding by Macquarie Bank and the other bank will, in aggregate, be \$1.1m, inclusive of costs. The hearing of the Second Proceeding has concluded, and a judgment is not expected until the end of 2013 or early 2014.

Representative legal action (“**Third Proceeding**”) has also been brought through a private law firm in the same court claiming an unregistered managed investment scheme involving Storm on a similar basis as ASIC’s action and claiming compensation for those investors.

As at the date of this Base Prospectus the Third Proceeding has settled. The settlement was approved by the Court, on application by the members of the class action, on 3 May 2013. Macquarie Bank and the investors agreed that the Third Proceeding will be dismissed with an acknowledgment by the class action that there was no wrongdoing by Macquarie Bank and, when approving the settlement, the Court agreed that the Third Proceeding will be dismissed on that basis once the payment to the members of the class has occurred. The settlement amount to be paid will be A\$82.5m, inclusive of costs. In relation to this settlement, after taking into account amounts expensed in the prior years and other recoverable amounts, Macquarie Bank does not expect that there will be any impact from this settlement on Macquarie Bank’s results for the 2013 fiscal year or for any subsequent periods. ASIC intervened in the

approval of the settlement. On 24 May 2013, ASIC lodged an appeal with the Full Court of the Court. Any hearing of the appeal is not expected until later in 2013. ASIC's notice of appeal does not challenge the quantum to be paid by Macquarie Bank but how that amount is to be distributed to the members of the class action.

Macquarie Bank has denied, and continues to deny, liability with respect to all the claims the subject of all the proceedings.

Save as disclosed in the preceding four paragraphs, there are no, nor have there been any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which MGL is aware) in the 12 month period prior to the date of this Base Prospectus, which may have or have had a significant effect on the financial position or profitability of the Macquarie Group.

No claim has resulted in a material adverse impact on the Macquarie Group.

### **Material Contracts**

There are no material contracts that are not entered into in the ordinary course of MGL's business which could result in MGL or any entity within the Macquarie Group being under an obligation or entitlement that is material to MGL's ability to meet its obligations to PD Debt Instrument Holders in respect of the PD Debt Instruments.

### **Senior Credit Facility**

During the 2012 fiscal year, the senior credit facility, which was initially entered into by MGL in 2007 to finance its restructure, was refinanced to provide additional commitments totaling US\$2.5 billion for tenors between 3.5 and 5 years. As at 31 March 2013, the facility limit was fully drawn to US\$2.5 billion. The senior credit facility now comprises term facilities totaling US\$1.7 billion and revolving credit facilities totaling US\$0.8 billion with maturities in February 2015 and November 2016.

### **Principal investment activity**

Since the date of Macquarie Group's last published audited financial statements (such date being 31 March 2013), MGL has not made any principal investments that are material to its ability to meet its obligations to PD Debt Instrument Holders in respect of the PD Debt Instruments.

### **Significant change in MGL's financial position**

There has been no significant change in the financial or trading position of the Macquarie Group and no material adverse change in the financial position or prospects, of the Macquarie Group since the financial year ended 31 March 2013, being the date as at which the latest published audited annual financial statements of MGL and MGL consolidated with its controlled entities were made up.

### **Credit rating**

As at the date of this Base Prospectus, MGL has the following debt ratings for long-term unsubordinated unsecured obligations:

- Standard and Poor's (Australia) Pty Ltd: BBB / Stable;
- Moody's Investors Service Pty Limited: A3 / Stable; and
- Fitch Australia Pty Ltd: A- / Stable.

### **Shareholders and Capital**



As at 31 March 2013, MGL had on issue 339,506,578 fully paid ordinary shares and 9,177,372 options granted over unissued ordinary shares. The ordinary shares of MGL are listed in Australia on the ASX.

As at the date of this Base Prospectus, MGL is neither directly nor indirectly controlled by any of its shareholders.

## **Regulatory oversight and recent developments**

In Australia, the key regulators that supervise and regulate the Macquarie Group's activities are APRA, the RBA, ASIC, the ASX, the Australian Securities Exchange Limited<sup>††</sup> and the ACCC.

MGL has corporate governance and policy frameworks designed to meet APRA's requirements for NOHCs.

APRA is the prudential regulator of the Australian financial services industry. APRA establishes and enforces prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions under APRA's supervision are met within a stable, efficient and competitive financial system. In its supervision of the Macquarie Group and other ADIs, APRA focuses on capital adequacy, liquidity, market risk, credit risk, operational risk, associations with related entities, large exposures to unrelated entities and funds management and securitization activities. APRA discharges its responsibilities by requiring ADIs to regularly provide it with reports which set forth a broad range of information, including financial and statistical information relating to their financial position and information in respect of prudential and other matters.

In exercising its powers, APRA works closely with the RBA. The RBA is Australia's central bank and an active participant in the financial markets. It also manages Australia's foreign reserves, issues Australian currency notes, serves as a banker to the Australian Government and, through the Payment Systems Board, supervises the payment system.

ASIC is Australia's corporate, markets and financial services regulator, which regulates Australian companies financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit.

ASX is Australia's primary securities market and the Macquarie Income Securities, Macquarie Group Capital Notes and MGL's ordinary shares are listed on ASX. MGL and the relevant member of the Macquarie Group have contractual obligations to comply with ASX's listing rules, which have the statutory backing of the Corporations Act.

The ASX24 market provides exchange traded and over-the-counter services and regulates the cash and derivative trades that MGL executes through the ASX24 as a market participant in the ASX24. This business is conducted primarily within the Macquarie Group.

The ACCC is Australia's competition regulator. Its key responsibilities include ensuring that corporations do not act in a way that may have the effect of eliminating or reducing competition and pricing practices. The ACCC's consumer protection activities complement those of Australia state and territory consumer affairs agencies that administer the unfair trading legislation of those jurisdictions.

Revenue authorities undertake risk reviews and audits as part of their normal activities. MGL have assessed those matters which have been identified in such reviews and audits as well as other taxation claims and litigation, including seeking advice where appropriate, and consider that the Macquarie Group currently hold appropriate provisions.

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<sup>††</sup> (as operator of the ASX24 market formerly known as the Sydney Futures Exchange)

Outside Australia, some of the Macquarie Group's key regulators include the United States Securities Exchange Commission, the United Kingdom Financial Conduct Authority and Prudential Regulation Authority, the Hong Kong Monetary Authority, the Monetary Authority of Singapore, the Korean Financial Supervisory Service and the Bank of Korea.

As with other financial services providers, the Macquarie Group continues to face increased supervision and regulation in most of the jurisdictions in which it operates, particularly in the areas of funding, liquidity, capital adequacy and prudential regulation.

#### *Basel III framework*

In December 2010 the Basel Committee on Banking Supervision announced a revised global regulatory capital and liquidity risk management framework, known as Basel III. The regulatory capital framework includes higher capital requirements and better quality capital, requirements to ensure loss absorbency at the point of non-viability, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirement. The liquidity measures are to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of a liquidity coverage ratio and net stable funding ratio. APRA's implementation of the Basel III capital framework began on 1 January 2013 and the Macquarie Group is in compliance with the new capital requirements as implemented by APRA. APRA's implementation of the Basel III liquidity risk management framework is subject to industry consultation. The Macquarie Group currently expects that if APRA implements the Basel III framework as proposed, it will be able to comply with the new requirements. However, until final prudential standards are published by APRA, the final impact of the reforms that will be adopted by APRA and, in particular, their impact on the capital structure or businesses of the Macquarie Group and the Banking Group is uncertain.

#### *Counterparty credit risk*

APRA's final prudential standards on its implementation of the Basel III reforms to the capital framework for counterparty credit risk and other credit exposure came into effect on 1 January 2013. Under these prudential standards, APRA extended its existing capital framework for counterparty credit risk in bilateral transactions to be the sum of the existing counterparty credit default component that applies under its existing prudential standards and a risk capital Credit Value Adjustment ("CVA") risk capital charge. The CVA risk capital charge is intended to cover the risk of mark-to-market losses on the expected counterparty credit risk arising from bilateral OTC derivatives. APRA also adopted Basel III reforms on capital charges for exposure to central counterparties arising from over the counter derivatives, exchange traded derivatives and securities financing transactions. These prudential standards will require the Macquarie Group to hold more capital for its counterparty credit risk exposures and other credit exposures.

#### *United States Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")*

The Dodd-Frank Act was signed into law in the United States on 21 July 2010. The Act contains a wide range of provisions that will affect financial institutions operating in the United States or trading with U.S. persons, including the Macquarie Group's U.S. and foreign subsidiaries. Included under the Dodd-Frank Act are reforms designed to reduce systemic risk presented by very large financial firms, promote enhanced supervision, regulation and prudential standards for financial firms, establish comprehensive supervision of financial markets, impose new limitations on permissible financial institution activities and investments, expand regulation of the derivatives markets, protect consumers and investors from financial abuse, and provide the US government with the tools needed to manage a financial crisis. Many aspects of the legislation required, or will require, final rulemaking by US federal supervisory agencies for full implementation. The Macquarie Group's businesses are affected by a variety of new regulations under the Dodd-Frank Act primarily in relation to (i) greater regulation of over-the-counter derivatives including stricter capital and margin requirements, the centralised execution and clearing of standardised over-the-counter derivatives, and heightened supervision and required registration of swap dealers and (ii) increased regulation of investment advisers.

### *UK Bank Levy*

Effective 1 January 2011, the United Kingdom introduced a new bank levy to apply to all accounting periods ending subsequent to the effective date. In respect of non-UK banking groups operating in the United Kingdom, the bank levy will apply to the notional consolidated balance sheets of its UK branches, UK entities and their worldwide subsidiaries and branches. The bank levy will be calculated by reference to chargeable equity and liabilities included in the consolidated balance sheet at different rates for short term chargeable liabilities and long term chargeable equity and liabilities. The bank levy is not applicable on the first £20 billion of chargeable equity and liabilities on the consolidated balance sheet. Based on the 31 March 2013 balance sheet position, it is not anticipated that the Macquarie Group will be impacted by the bank levy on the basis that its chargeable liabilities and equity are expected to be below £20 billion for the full accounting period. The Macquarie Group will continue to monitor its position on a regular basis.

### *Other developments*

In addition, there have also been a series of legislative changes and other regulatory releases from regulators in the various jurisdictions in which the Macquarie Group operates proposing significant regulatory change for financial institutions.

These include:

- further capital reforms for conglomerate banking groups and institutions designated by APRA as domestically important financial institutions;
- recovery and resolution planning requirements;
- the imposition of levies on banking activities;
- greater regulation of derivatives, particularly over the counter (OTC) derivatives, including stricter capital and margin requirements, the centralised execution and clearing of standardised OTC derivatives and heightened supervision and required registration of swap dealers and major swap and major swap participants;
- increased regulation of investment advisers and the provision of financial advice;
- new laws and regulation relating to data protection and privacy, consumer credit and consumer protection and personal property securities; and
- changes to accounting and reporting requirements, tax legislation, regulation relating to remuneration and superannuation, competition legislation and bribery and anti-money laundering laws.

*Further changes may occur driven by policy, prudential or political factors.*

The Macquarie Group reviews these changes and releases, engages with government, regulators and industry bodies and amends its systems, processes and operations to align with changes and new regulatory requirements as they occur. Further information on the risk management and other policies of the Macquarie Group is contained in the documents incorporated by reference into this Base Prospectus (see “Documents incorporated by reference” on pages 44 and 45 of this Base Prospectus).

## Documents on Display

Copies of the following documents may be inspected on the internet site [www.macquarie.com.au](http://www.macquarie.com.au):

- constitution of MGL; and
- the annual and financial reports of MGL for each of the two financial years preceding the publication of this Base Prospectus.

## Directors of MGL

As at the date of this Base Prospectus the persons named below are Voting Directors of MGL under MGL's constitution and exercise the powers of directors for the purposes of the Corporations Act. All members of the Board of Voting Directors of MGL have the business address of No. 1 Martin Place, Sydney, NSW, 2000.

### **H Kevin McCann AM, BA LLB (Hons) (Syd), LLM (Harv), FAICD (age 72)**

*Independent Chairman since 17 March 2011*

*Independent Voting Director since August 2007 (of Macquarie Bank since December 1996)*

*Chairman of the Board Nominating Committee*

*Member of the Board Remuneration Committee*

*Member of the Board Risk Committee*

Kevin McCann is currently Chairman of Origin Energy Limited and a Director of the United States Studies Centre at the University of Sydney. Mr McCann is a Fellow of the University of Sydney Senate, and a member of its Nominations and Appointments, Investment and Commercialisation and Finance and Audit Committees and a member of the University of Sydney Business School Advisory Board. He is also Chairman of the National Library of Australia Foundation, a member of the European Australian Business Council, the Corporate Governance Committee of the Australian Institute of Company Directors, the Board on Diversity, Allens and Linklaters, and the Evans and Partners Advisory Board. Mr McCann was a Partner (from 1970 to 2004) and Chairman of Allens Arthur Robinson, a leading firm of Australian lawyers. He practiced as a commercial lawyer specialising in Mergers and Acquisitions, Mineral and Resources Law and Capital Markets Transactions. He was previously Chairman of Triako Resources Limited, Healthscope Limited and ING Management Limited and a Director of BlueScope Steel Limited.

### **Nicholas W Moore BCom LLB (UNSW), FCA (age 54)**

*Managing Director and Chief Executive Officer since May 2008*

*Executive Voting Director of Macquarie Group since February 2008 (of Macquarie Bank since May 2008)*

*Member of the Board Risk Committee*

Nicholas Moore joined Macquarie's Corporate Services Division in 1986. In 1996, Mr Moore was appointed Head of the Project and Structured Finance Division. In 1998 he was appointed Head of the Asset and Infrastructure Group and then Head of the Investment Banking Group on its inception in 2001. In this role, he oversaw significant growth in Macquarie's net income through the global growth of the advisory, fund management, financing and securities businesses. Currently, Mr Moore is also Chairman of the Police and Community Youth Clubs NSW Limited, a Director of the Centre for Independent Studies and Chairman of the University of NSW Business School Advisory Council.

**Michael J Coleman MComm (UNSW), FCA, FCPA, FAICD (age 62)**

*Independent Voting Director since November 2012 (of Macquarie Bank since November 2012)*

*Member of the Board Audit Committee*

*Member of the Board Risk Committee*

Michael Coleman was a senior audit partner with KPMG for 30 years. He was KPMG's inaugural National Managing Partner Assurance and Advisory from 1998 to 2002, National Managing Partner for Risk and Regulation from 2002 to 2010 and Regional Leader for Asia Pacific Quality and Risk Management from 2002 to 2011. Mr Coleman is currently Deputy Chairman of the Financial Reporting Council, a member of the Audit Committee of the Reserve Bank of Australia, Chairman of the Reporting Committee of the Australian Institute of Company Directors and a member of the Advisory Board of Norton Rose Australia. He is also Chairman of Planet Ark Environmental Foundation, Chair of the Advisory Board of the Centre for Accounting and Assurance Services Research at UNSW and a Director of Osteoporosis Australia and Belvoir Street Theatre Foundation. Previously Mr Coleman was Chairman of ING Management Limited.

**Diane J Grady AM, BA (Mills), MA (Hawaii), MBA (Harv), FAICD (age 64)**

*Independent Voting Director since May 2011 (of Macquarie Bank since May 2011)*

*Member of the Board Remuneration Committee*

*Member of the Board Risk Committee*

Ms Grady has been a full time independent director of public companies and not-for-profit boards since 1994. She is currently a member of the McKinsey Advisory Council, the Centre for Ethical Leadership and the Heads Over Heels Advisory Council. She is Chair of Ascham School and the Hunger Project Australia. Previously she was a Director of Woolworths Limited, Goodman Group, Wattyl Limited, Lend Lease US Office Trust, Lend Lease Limited, MLC and a Trustee of the Sydney Opera House. She was also President of Chief Executive Women and chaired the group's taskforce which published the CEO Kit for Attracting and Retaining Female Talent.

Ms Grady was a Director of Blue Scope Steel Limited and a partner at McKinsey & Company where she spent 15 years consulting to clients in a broad range of industries on strategic and operational issues. She was a worldwide leader of the firm's Organisation and Change Management Practice and the first woman outside the United States to be elected to McKinsey's global partnership. In Australia, she headed McKinsey's Consumer Goods, Retailing and Marketing Practice Group. Ms Grady was made a member of the Order of Australia in 2009 for her contribution to business and to the promotion of women leaders and in 2001 received a Centenary Medal for service to Australian society through business leadership.

**Michael J Hawker AM, BSc (Sydney), FAICD, SF Fin (age 53)**

*Independent Voting Director since March 2010 (of Macquarie Bank since March 2010)*

*Member of the Board Audit Committee*

*Member of the Board Risk Committee*

*Member of the Board Governance and Compliance Committee*

Michael Hawker was Chief Executive Officer and Managing Director of Insurance Australia Group from 2001 to 2008. From 1995 to 2001, Mr Hawker held a range of positions at Westpac, including Group Executive of Business and Consumer Banking and General Manager of Financial Markets. Prior to this, he held a number of positions at Citibank, including Deputy Managing Director for Australia and subsequently Executive Director, Head of Derivatives, Europe. Currently, Mr Hawker is Chairman of the George Institute for Global Health, a member of the George Institute for Global Health (UK) and a Director of Aviva Plc Group, the largest insurance provider in the UK. He is also Director of Washington H Soul Pattinson and Company Limited and Chairman of Australian Rugby Union and SANZAR (South African, New Zealand and Australian Rugby). Mr Hawker is a member of the International Rugby Board Council, the Executive Committee of the International Rugby Board, the Advisory Board to GEMS, a Hong Kong

based private equity firm, and of the board of trustees of the Giant Steps Foundation. He was previously President of the Insurance Council of Australia, Chairman of the Australian Financial Markets Association, a board member of the Geneva Association and a member of the Financial Sector Advisory Council. Mr Hawker is additionally the founder of the Australian Business in the Community Network.

**Peter M Kirby BEc (Rhodes), BEc (Hons) (Natal), MA (Manch), MBA (Wits), FAICD (age 65)**

*Independent Voting Director since August 2007 (of Macquarie Bank since June 2003)*

*Member of the Board Audit Committee*

*Member of the Board Governance and Compliance Committee*

*Member of the Board Risk Committee*

Peter Kirby was Managing Director and Chief Executive Officer of CSR Limited from 1998 to March 2003. He was a member of the Board of the Business Council of Australia from 2001 to 2003. Mr Kirby received the Centenary Medal in 2003. Prior to joining CSR, he was with the Imperial Chemical Industries PLC group (ICI) for 25 years in a variety of senior management positions around the world, including Chairman/CEO of ICI Paints, responsible for the group's coatings businesses worldwide, and a member of the Executive Board of ICI PLC, with responsibility for ICI Americas and the western hemisphere. Currently he is Chairman of DuluxGroup Limited. Mr Kirby's previous directorships include Chairman and Director of Medibank Private Limited, Director of Orica Limited and the Beacon Foundation.

**Catherine B Livingstone AO, BA (Hons) (Macquarie), HonDBus (Macquarie), HonDSc (Murdoch), FCA, FTSE, FAICD (age 57)**

*Independent Voting Director since August 2007 (of Macquarie Bank since November 2003)*

*Chairman of the Board Audit Committee*

*Member of the Board Governance and Compliance Committee*

*Member of the Board Nominating Committee*

*Member of the Board Risk Committee*

Catherine Livingstone was Managing Director of Cochlear Limited from 1994 to 2000. Prior to that she was Chief Executive, Finance, at Nucleus Limited and before that held a variety of finance and accounting roles including having been with chartered accountants, Price Waterhouse, for several years. Ms Livingstone was awarded the Centenary Medal in 2003 for service to Australian Society in Business Leadership and was elected a Fellow of the Australian Academy of Technological Sciences and Engineering in 2002. She is currently Chairman of Telstra Corporation Limited, a member of the New South Wales Innovation and Productivity Council and the Advisory Board, John Grill Centre for Project Leadership at the University of Sydney. She is President of the Australian Museum Trust. Ms Livingstone is a Director of WorleyParsons Limited, The George Institute for Global Health and Saluda Medical Pty Ltd as well as Chairman of CSIRO and a Director of Goodman Fielder and Rural Press Limited, as well as President of Chief Executive Women.

**John R Niland AC, BCom MCom HonDSc (UNSW), PhD (Illinois), DUniv (SCU), FAICD (age 72)**

*Independent Voting Director since August 2007 (of Macquarie Bank since February 2003)*

*Chairman of the Board Governance and Compliance Committee*

*Member of the Board Remuneration Committee*

*Member of the Board Risk Committee*

John Niland is a Professor Emeritus of the University of New South Wales (UNSW) and was Vice-Chancellor and President of UNSW from 1992 to 2002. Before that he was the Dean of the Faculty of Commerce and Economics. He is currently Chairman of Singapore Management University's International Academic Review Panel. Dr Niland is a former Chief Executive of the State Pollution Control Commission and Executive Chairman of the Environment Protection Authority. He has served on the Australian Universities Council, the Prime Minister's Science, Engineering and Innovation Council, the boards of the Centennial Park and Moore Park Trust, realestate.com.au Limited, St Vincent's Hospital, the Sydney Symphony Orchestra Foundation, the Sydney Olympic bid's Building Commission and the

University Grants Committee of Hong Kong. He is a former President of the National Trust of Australia (NSW).

**Helen M Nugent AO, BA (Hons) (Qld), PhD (Qld), MBA (Harv), HonDBus (Qld) (age 64)**

*Independent Voting Director since August 2007 (of Macquarie Bank since June 1999)*

*Chairman of the Board Remuneration Committee*

*Member of the Board Nominating Committee*

*Member of the Board Risk Committee*

Helen Nugent is currently Chairman of Funds SA and a Director of Origin Energy Limited. Previously, Dr Nugent has been involved in the financial services sector as Director of Strategy at Westpac Banking Corporation, Chairman of Swiss Re (Australia) Limited and a Non-Executive Director of the State Bank of New South Wales and Mercantile Mutual. In addition, she was previously Chairman of Hudson (Australia and New Zealand) and a Director of UNITAB, Carter Holt Harvey, Australia Post and Herbert Smith Freehills. She has also been a Partner at McKinsey and Company.

Dr Nugent has been actively involved in the arts and education. In the arts, she is Chairman of the National Portrait Gallery and was formerly Deputy Chairman of the Australia Council, Chairman of the Major Performing Arts Board of the Australia Council, Chairman of the Ministerial Inquiry into the Major Performing Arts and Deputy Chairman of Opera Australia. In education, she is currently Chancellor of Bond University and President of Cranbrook School. Dr Nugent is also a member of the Australian Olympic Foundation's Investment Advisory Committee. Previously she was a member of the Bradley Review into Higher Education and Professor in Management and Director of the MBA Program at the Australian Graduate School of Management.

**Peter H Warne BA (Macquarie), FAICD (age 57)**

*Independent Voting Director since August 2007 (of Macquarie Bank since July 2007)*

*Chairman of the Board Risk Committee*

*Member of the Board Audit Committee*

*Member of the Board Nominating Committee*

*Member of the Board Remuneration Committee*

Peter Warne was Head of Bankers Trust Australia Limited's (BTAL) Financial Markets Group from 1988 to 1999. Prior to this he held a number of roles at BTAL. Mr Warne was a Director of the Sydney Futures Exchange (SFE) from 1990 and served as Deputy Chairman from 1995 to 1999. When the SFE merged with the Australian Securities Exchange (ASX Limited) in July 2006, he became a Director of ASX Limited, a position he still holds. Currently, Mr Warne is on the boards of other listed entities, including Chairman of ALE Property Group and Deputy Chairman of WHK Group Limited. He is also Deputy Chairman of Capital Markets CRC Limited, a Director of Securities Research Centre of Asia Pacific Limited and of New South Wales Treasury Corporation, a member of the Advisory Board of the Australian Office of Financial Management and a Patron of Macquarie University Foundation. He is a former Director of Next Financial Limited, Macquarie Capital Alliance Group and a former Chairman and Director of TEYS Limited.

## **Board Committees**

All Directors are members of the Risk Committee (Peter Warne is Chairman). The Chief Executive Officer of Macquarie Bank, Greg Ward, is also a member of the Risk Committee. Catherine Livingstone is Chairman and Peter Kirby, Michael Hawker, Peter Warne and Michael Coleman are members of the Board Audit Committee. John Niland is Chairman and Michael Hawker, Peter Kirby and Catherine Livingstone are members of the Governance and Compliance Committee. Kevin McCann is Chairman and Catherine Livingstone, Helen Nugent and Peter Warne are members of the Nominating Committee. Helen Nugent is Chairman and Diane Grady, Kevin McCann, John Niland and Peter Warne are members of the Remuneration Committee.

Information on the significant corporate governance practices of MGL and the charter of each Board Committee is available on the internet site [www.macquarie.com.au](http://www.macquarie.com.au). In particular, the main objective of the Board Audit Committee is to assist the Board of Voting Directors of MGL and MBL in fulfilling their responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Macquarie Group.

### Director Duties and Conflict of Interest

The independence of Directors of Macquarie Group is reviewed annually by the Macquarie Board Governance and Compliance Committee (“BGCC”). The Macquarie Group Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Macquarie Group Board. Based on Macquarie Group’s criteria for assessing director independence, each independent director is asked to confirm whether they have any interests or relationships that may impact their ability to act in the best interests of Macquarie Group or independently of management. Disclosed interests are reviewed by the Macquarie BGCC to determine whether their interest would materially interfere with the exercise of a non-executive director’s independent judgment. Materiality is assessed having regard to each individual director’s circumstances, the circumstances of the supplier, customer or advisor and any other significant relationships with Macquarie Group or its subsidiaries.

A Voting Director of Macquarie Group will be considered independent if they meet the following criteria:

- Is not a substantial shareholder of Macquarie Group or of a company holding more than five per cent of Macquarie Group’s voting stock or an officer of or otherwise associated directly with a shareholder holding more than five per cent of Macquarie Group’s voting stock.
- Has not within the last three years been employed in an executive capacity by the company or another group member or been a director after ceasing to hold any such employment.
- Is not and has not within the last three years been a principal or employee of a material professional adviser to Macquarie Group and its entities. A Voting Director who is or within the last three years has been a principal or employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to Macquarie Group by the professional adviser.
- Is not a material supplier or customer of Macquarie Group or its entities or an officer of or otherwise associated directly or indirectly with a material supplier or customer. Has no material contractual relationship with Macquarie Group or any of its associates other than as a director.
- Is not a director of any of Macquarie Group’s subsidiaries or responsible entities, other than Macquarie Group Limited and any intermediate holding company.
- Has no other interest or relationship that could interfere with the Voting Director’s ability to act in the best interests of Macquarie Group and independently of management.

Macquarie Group’s nine non-executive Directors, being H Kevin McCann, Diane J Grady, Michael J Hawker, Peter M Kirby, Catherine B Livingstone, John R Niland, Helen M Nugent, Peter H Warne and Michael Coleman, are each considered to be independent.

All Directors are required to disclose any material personal interest in a matter that relates to the affairs of Macquarie Group and any conflict or potential conflict of interest upon appointment and then update the Macquarie Group Board on an ongoing basis.



Macquarie Group has in place procedures that utilise the interests disclosed by Voting Directors to assist in detecting conflicts of interest within Macquarie Group. Where a Director has a material personal interest or conflict of interest, the Director will:

- notify the other Directors of their interest in the matter when the conflict arises (unless a standing notice regarding the material personal interest has already been given to the other Directors); and
- not receive the relevant Macquarie Group Board paper nor be present whilst the matter that they have an interest in is being considered at a Directors' meeting and subsequently not vote on the matter unless the Macquarie Group Board (excluding the relevant Macquarie Group Board member) resolves otherwise.

As at the date of this Base Prospectus:

- taking into account the above criteria and relationships, there are no existing conflicts of interest other than in respect of any dealings between MGL and any of the companies listed in the biographies of each Director of MGL as set out on pages 113 to 116 above; and
- there are no potential conflicts of interest between any duties owed to MGL by its Directors and the private interests or duties of those Directors.

As noted above, all Directors are required to disclose any conflict or potential conflict of interest on an ongoing basis. In respect of conflicts or potential conflicts of interest that may arise in the future, Macquarie Group will manage those conflicts in accordance with the Australian Corporations Act 2001, any other applicable law and the other procedures referred to above.

## Selected Financial Information

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The additional audited financial information on pages 120 and 121 of this Base Prospectus has been extracted from the 2013 annual report of MGL and MGL consolidated with its controlled entities for the financial year ended 31 March 2013.

The Macquarie Group is required to prepare financial statements for itself and itself consolidated with its controlled entities in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards.

The auditors of the Macquarie Group are PricewaterhouseCoopers, an independent registered public accounting firm, being an Australian partnership ("**PwC Australia**"). PwC Australia partners are members or affiliate members of The Institute of Chartered Accountants in Australia.

PwC Australia has audited the financial statements included in Macquarie Group's 2012 annual report for the financial years ended 31 March 2012 and 31 March 2013 in accordance with Australian Auditing Standards. The Independent Audit Report dated 3 May 2013 was unqualified.

### *Limitation on Auditors' Liability*

PwC Australia may be able to assert a limitation of liability with respect to claims arising out of its audit report described or included in the documents identified under "Documents incorporated by reference" on pages 44 and 45 of this Base Prospectus, and elsewhere in this Base Prospectus, to the extent it is subject to the limitations set forth in the Professional Standards Act 1994 of New South Wales, Australia ("**Professional Standards Act**") and the Institute of Chartered Accountants in Australia (NSW) Scheme adopted by The Institute of Chartered Accountants in Australia and approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act (together, the "**NSW Accountants Scheme**") (or, in relation to matters occurring prior to 7 October 2007, the predecessor scheme).

The Professional Standards Act and the NSW Accountants Scheme may limit the liability of PwC Australia for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of its professional services to the Macquarie Group, including, without limitation, its audits of the Macquarie Group's financial statements, to the lesser of ten times the reasonable charge for the service by PwC Australia that gave rise to the claim and a maximum of A\$75 million and for other work of A\$20 million (or in relation to matters occurring prior to 7 October 2007, A\$20 million). The limit does not apply to claims for breach of trust, fraud or dishonesty. The Professional Standards Act and the Accountants Scheme have not been subject to judicial consideration and therefore how the limitation will be applied by the courts and the effect of the limitation on the enforcement of foreign judgments are untested.

There is also legislation similar to the Professional Standards Act in the other states and territories of Australia and federally. Schemes similar to the NSW Accountants Scheme have been implemented in other states and territories of Australia and in relation to various civil claims under federal Australian law.

Macquarie Group Limited and its controlled entities  
Income Statements for the financial years ended 31 March 2013 and 31 March 2012

	Consolidated 2013 A\$m	Consolidated 2012 A\$m	MGL 2013 A\$m	MGL 2012 A\$m
Interest and similar income	4,649	5,368	292	349
Interest expense and similar charges	(3,282)	(4,035)	(366)	(455)
Net interest income/(expense)	1,367	1,333	(74)	(106)
Fee and commission income	3,422	3,364	–	–
Net trading income	1,234	1,035	–	–
Share of net profits of associates and joint ventures accounted for using the equity method	92	108	–	–
Other operating income and charges	585	1,123	1,262	492
Net operating income	6,700	6,963	1,188	386
Employment expenses	(3,273)	(3,560)	(3)	(3)
Brokerage, commission and trading-related expenses	(647)	(724)	–	–
Occupancy expenses	(390)	(456)	–	–
Non-salary technology expenses	(260)	(290)	–	–
Other operating expenses	(725)	(884)	(11)	(13)
Total operating expenses	(5,295)	(5,914)	(14)	(16)
Operating profit before income tax	1,405	1,049	1,174	370
Income tax (expense)/benefit	(533)	(287)	23	45
<b>Profit after income tax</b>	<b>872</b>	<b>762</b>	<b>1,197</b>	<b>415</b>
Profit attributable to non-controlling interests:				
Macquarie Income Securities	(21)	(26)	–	–
Macquarie Income Preferred Securities	(4)	(4)	–	–
Other non-controlling interests	4	(2)	–	–
Profit attributable to non-controlling interests	(21)	(32)	–	–
<b>Profit attributable to ordinary equity holders of Macquarie Group Limited</b>	<b>851</b>	<b>730</b>	<b>1,197</b>	<b>415</b>
	<b>Cents per share</b>			
Basic earnings per share	251.2	210.1		
Diluted earnings per share	246.1	202.3		

Macquarie Group Limited and its controlled entities  
Statements of Financial Position as at 31 March 2013 and 31 March 2012

	Consolidated 2013 A\$m	Consolidated 2012 A\$m	MGL 2013 A\$m	MGL 2012 A\$m
<b>Assets</b>				
Receivables from financial institutions	16,516	18,510		
Trading portfolio assets	19,776	12,689	–	–
Derivative assets	14,704	22,078	–	–
Investment securities available for sale	17,057	18,266	–	–
Other assets	11,187	13,717	156	27
Loan assets held at amortised cost	49,083	45,218	–	–
Other financial assets at fair value through profit or loss	5,033	6,715	–	–
Life investment contracts and other unitholder investment assets	7,240	5,904	–	–
Due from subsidiaries	–	–	6,992	7,317
Property, plant and equipment	5,643	5,235	–	–
Interests in associates and joint ventures accounted for using the equity method	2,048	2,664	–	–
Intangible assets	1,221	1,351	–	–
Investments in subsidiaries	–	–	12,972	13,525
Deferred tax assets	1,270	1,279	297	309
<b>Total assets</b>	<b>150,778</b>	<b>153,626</b>	<b>20,417</b>	<b>21,178</b>
<b>Liabilities</b>	<b>1,497</b>	<b>3,615</b>	<b>–</b>	<b>–</b>
Trading portfolio liabilities				
Derivative liabilities	14,853	21,022	–	–
Deposits	41,103	37,169	38	50
Other liabilities	12,391	15,096	52	18
Payables to financial institutions	18,075	12,629	2,370	3,178
Other financial liabilities at fair value through profit or loss	1,704	2,733	–	–
Life investment contracts and other unitholder liabilities	7,218	5,897	–	–
Due to subsidiaries	–	–	828	1,072
Debt issued at amortised cost	38,014	39,713	4,269	4,459
Provisions	213	241	–	5
Deferred tax liabilities	542	436	–	–
<b>Total liabilities excluding loan capital</b>	<b>135,610</b>	<b>138,551</b>	<b>7,557</b>	<b>8,782</b>
<b>Loan capital</b>				
Macquarie Convertible Preference Securities	616	614	–	–
Subordinated debt at amortised cost	2,604	2,579	–	–
Subordinated debt at fair value through profit or loss	–	150	–	–
<b>Total loan capital</b>	<b>3,220</b>	<b>3,343</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>	<b>138,830</b>	<b>141,894</b>	<b>7,557</b>	<b>8,782</b>
<b>Net assets</b>	<b>11,948</b>	<b>11,732</b>	<b>12,860</b>	<b>12,396</b>
<b>Equity</b>				
Contributed equity	5,900	6,235	8,642	8,952
Reserves	57	44	675	766
Retained earnings	5,439	4,924	3,543	2,678
Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited	11,396	11,203	12,860	12,396
<b>Non-controlling interests</b>	<b>552</b>	<b>529</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>11,948</b>	<b>11,732</b>	<b>12,860</b>	<b>12,396</b>

## Subscription and Sale

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Pursuant to the Second amended and restated Debt Instrument Programme Dealer Agreement dated 16 September 2009 (“**Dealer Agreement**”), as amended from time to time, the PD Debt Instruments may be offered on a continuing basis through the persons that are appointed as dealers in respect of the whole Programme and whose appointment has not been terminated (“**Permanent Dealers**”). However, MGL has reserved the right to sell PD Debt Instruments directly on its own behalf to Dealers that are not Permanent Dealers. MGL will have the sole right to accept any such offers to purchase PD Debt Instruments and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer shall have the right, in its discretion reasonably exercised, to reject any offer to purchase PD Debt Instruments made to it in whole or (subject to the terms of such offer) in part.

In the Dealer Agreement, MGL has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of PD Debt Instruments under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

By its purchase and acceptance of PD Debt Instruments issued under the Dealer Agreement, each Dealer agrees that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver PD Debt Instruments, and it will not directly or indirectly offer, sell, resell, re-offer or deliver PD Debt Instruments or distribute the Base Prospectus, any Final Terms, circular, advertisement or other offering material relating to the PD Debt Instruments in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

Neither MGL nor any Dealer represents that any PD Debt Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

In addition and unless the Final Terms otherwise provides, each Dealer has agreed that, in connection with the primary distribution of the PD Debt Instruments, it will not sell PD Debt Instruments to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any PD Debt Instruments or an interest in any PD Debt Instruments were being, or would later be, acquired (directly or indirectly) by an associate of MGL for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 (as amended) of Australia (“**Australian Tax Act**”) and associated regulations and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia, except as permitted by section 128F(5) of the Australian Tax Act.

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### 1 General

This Base Prospectus has not been, nor will be, lodged with ASIC and is not a ‘prospectus’ or other ‘disclosure document’ for the purposes of the Corporations Act.

Except for registration of this Base Prospectus by the UK Listing Authority and the London Stock Exchange, no action has been taken in any jurisdiction that would permit a public offering of any of the PD Debt Instruments, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Base Prospectus comes are required by MGL and the Dealers to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver PD Debt Instruments or have in their possession or distribute or publish the Base Prospectus or such other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any PD Debt Instruments under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither MGL nor any Dealer has responsibility for such matters. In accordance with the above, any PD Debt Instruments purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in MGL being obliged to register any further prospectus or corresponding document relating to the PD Debt Instruments in such jurisdiction.

In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of PD Debt Instruments in Australia, the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the PRC, Malaysia, Mexico and Taiwan as set out below.

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## 2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any PD Debt Instruments has been, or will be, lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Final Terms (or relevant supplement to this Base Prospectus) otherwise provides, it:

- (a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any PD Debt Instruments in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to any PD Debt Instruments in Australia,

unless

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in other currencies and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
- (iii) the offer or invitation does not constitute an offer or invitation to a person who is a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

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### 3 United States

#### *Regulation S Category 2; TEFRA D*

The PD Debt Instruments have not been and will not be registered under the Securities Act. The PD Debt Instruments may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them under Regulation S under the Securities Act.

Bearer PD Debt Instruments with a maturity of more than one year are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by the U.S. Internal Revenue Code and U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme and each other Purchaser will be required to represent and agree, except as permitted by the Dealer Agreement, that it has not offered, sold, resold or delivered, and will not offer, sell, resell or deliver, the PD Debt Instruments of any Tranche:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after the later of (i) the closing date of such Tranche of PD Debt Instruments and (ii) the completion of the distribution of all PD Debt Instruments of such Tranche, as determined and certified by the relevant Dealer or, in the case of an issue of PD Debt Instruments on a syndicated basis, the Lead Manager,

within the United States or to, or for the account or benefit of, U.S. persons only in accordance with Regulation S and that during the distribution compliance period, it will have sent to each distributor to which it sells the PD Debt Instruments, a confirmation or other notice setting forth the restrictions on offers and sales of the PD Debt Instruments within the United States or to, or for the account or benefit of, U.S. persons.

In addition, an offer or sale of PD Debt Instruments within the United States by any dealer or other distributor (whether or not participating in the offering of such Series during the distribution compliance period described in the preceding paragraph) may violate the registration requirements of the Securities Act.

Each Dealer who has purchased PD Debt Instruments of a Tranche hereunder (and in the case of an issue of a Tranche of PD Debt Instruments on a syndicated basis, the Lead Manager) shall determine and certify to the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent when it has completed the distribution of the PD Debt Instruments of such Tranche.

In addition (in relation to PD Debt Instruments in bearer form with a maturity of more than one year):

- (a) except to the extent permitted under U.S. Treasury Regulation (“D Rules”):
  - (i) each Dealer has represented and covenanted that it has not offered or sold, and agreed and covenanted that during the restricted period it will not offer or sell, PD Debt Instruments to a person who is within the United States or its possessions or to a U.S. person, and

- (ii) represented and covenanted that it has not delivered and agrees and covenants that it will not deliver within the United States or its possessions definitive PD Debt Instruments that are sold during the restricted period;
- (b) each Dealer has represented and covenanted that it has and agreed and covenanted that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling PD Debt Instruments are aware that such PD Debt Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person, except as permitted by the D Rules;
- (c) if it is a U.S. person, each Dealer has represented and covenanted that it is acquiring the PD Debt Instruments for purposes of resale in connection with their original issue and if it retains PD Debt Instruments for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires from it PD Debt Instruments for the purpose of offering or selling such PD Debt Instruments during the restricted period, each Dealer has either:
  - (i) repeated and confirmed the representations, covenants and agreements contained in clauses (a), (b) and (c) on such affiliate's behalf; or
  - (ii) agreed and covenanted that it will obtain from such affiliate for the benefit of MGL the representations, covenants and agreements contained in clauses (a), (b) and (c).

Terms used in clauses (a), (b), (c) and (d) have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In respect of PD Debt Instruments in bearer form where TEFRA C is specified in the applicable Final Terms, such PD Debt Instruments must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents, covenants and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly (including through an agent), such PD Debt Instruments within the United States or its possessions in connection with their original issuance. Further, each Dealer represents, covenants and agrees in connection with the original issuance of such PD Debt Instruments that it has not communicated, and will not communicate, directly or indirectly (including through an agent), with a prospective purchaser if either a Dealer, agent or such purchaser is within the United States or its possessions and will not otherwise involve its United States office or a United States possession office in the offer, sale, delivery, advertisement or promotion of such PD Debt Instruments. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and U.S. Treasury Regulation section 1.163-5(c)(2)(i)(C).

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#### 4 European Economic Area

Unless otherwise stated in this "Sale and Subscription" section, in relation to each Relevant EEA State, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State ("**Relevant Implementation Date**") it has not made and will not make an offer of PD Debt Instruments, which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms thereto, to the public in that Relevant EEA State, except that it may, with effect from and



including the Relevant Implementation Date, make an offer of PD Debt Instruments to the public in that Relevant EEA State:

- (a) if the Final Terms in relation to the PD Debt Instruments specify that an offer of those PD Debt Instruments may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant EEA State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such PD Debt Instruments which has been approved by the competent authority in the Relevant EEA State or, where appropriate, approved in another Relevant EEA State and notified to the competent authority in that Relevant EEA State, provided that any such prospectus has subsequently been completed by the final terms contemplated in such a Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant EEA State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive,

provided that no such offer of PD Debt Instruments referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of PD Debt Instruments to the public**” in relation to any PD Debt Instruments in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the PD Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe the PD Debt Instruments, as the same may be varied in that Relevant EEA State by any measure implementing the Prospectus Directive in that Relevant EEA State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant EEA State) and includes any relevant implementing measure in each Relevant EEA State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

This European Economic Area selling restriction is in addition to any other selling restrictions set out in this Base Prospectus.

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## 5 The United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any PD Debt Instruments in circumstances in which section 21(1) of the FSMA does not apply to MGL; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any PD Debt Instruments in, from or otherwise involving the United Kingdom.

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## 6 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any PD Debt Instruments (except for PD Debt Instruments which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) (as amended) of Hong Kong (the “**Securities and Futures Ordinance**”)) other than:
  - (i) to “professional investors” as defined in that Ordinance and any rules made under that Ordinance; or
  - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) (as amended) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued, or had in its possession for the purpose of issue, and will not issue, or have in its possession for the purpose of issue (in each case whether in Hong Kong or elsewhere) any advertisement, invitation or other offering material or other document relating to the PD Debt Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the applicable securities laws of Hong Kong) other than with respect to PD Debt Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

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## 7 Singapore

The Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“**Securities and Futures Act**”).

Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any PD Debt Instruments or made the PD Debt Instruments subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute the Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any PD Debt Instruments, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act;
- (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each Dealer has further represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, to notify (whether through the distribution of this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any PD Debt Instruments or otherwise) each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased PD Debt Instruments from and through that Dealer, namely a person who is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that securities (as defined under Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the PD Debt Instruments pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined under Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the Securities and Futures Act; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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## 8 Japan

The PD Debt Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any PD Debt Instruments, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

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## 9 Korea

The PD Debt Instruments have not been and will not be registered under the Financial Investment Services and Capital Markets Act of the Republic of Korea (“Korea”).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that PD Debt Instruments have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

Each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake to ensure that any securities dealer to which it sells PD Debt Instruments confirms that it is purchasing such PD Debt Instruments as principal and agrees with such Dealer that it will comply with the restrictions described above.

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## 10 India

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or transferred and will not offer, sell or transfer in India, directly or indirectly, by means of any document, any PD Debt Instruments (a) other than to persons permitted to acquire the PD Debt Instruments under Indian law, whether as a principal or an agent, or (b) in circumstances which would constitute an offering to the public within the meaning of the Companies Act, 1956 of India, and that this Base Prospectus and any document by means of which it offers the PD Debt Instruments will not be generally distributed or circulated in India and will be for the sole consideration and exclusive use of the persons permitted to acquire the PD Debt Instruments under Indian law to whom it is issued or passed on.

The PD Debt Instruments have not been approved by the Securities and Exchange Board of India, Reserve Bank of India or any other regulatory authority of India, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in it. This Base Prospectus has not been and will not be registered as a prospectus or a statement in lieu of a prospectus with the Registrar of Companies in India. Prospective investors must seek legal advice as to whether they are entitled to subscribe to the PD Debt Instruments and must comply with all relevant Indian laws in this respect. Each investor is deemed to have acknowledged and agreed that it is eligible to invest in the PD Debt Securities under applicable laws and regulations and that it is not prohibited under any law or regulation in India from acquiring, owning or selling the PD Debt Instruments.

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## 11 Canada

The PD Debt Instruments are not and will not be qualified for sale under the securities laws of any province or territory of Canada. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered, sold, delivered or transferred and will not offer, sell, deliver or transfer any PD Debt Instruments, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with the applicable securities laws of any province or territory of Canada; and

- (b) it has not and will not distribute or deliver the Base Prospectus or any Final Terms, advertisement or other offering material relating to the PD Debt Instruments in Canada, other than in compliance with the applicable securities laws of any province or territory of Canada.

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## 12 People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the PD Debt Instruments are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by all relevant laws and regulations of the PRC.

This Base Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any PD Debt Instruments in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The PD Debt Instruments may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

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## 13 Malaysia

No proposal has been made, or will be made, to the Securities Commission of Malaysia for the approval of the issue or sale of the PD Debt Instruments in Malaysia. Accordingly, each purchaser or subscriber of the PD Debt Instruments will be deemed to represent and agree that it has not offered, sold, transferred or disposed, and will not offer, sell, transfer or dispose of, any PD Debt Instruments, nor has it made, or will it make, this Base Prospectus or any other document or material the subject of an offer or invitation for subscription or purchase of any PD Debt Instruments, whether directly or indirectly, to any person in Malaysia other than pursuant to an offer or invitation as specified in Schedule 5 of the Capital Markets and Services Act 2007 or as prescribed by the Minister of Finance under paragraph 229 (1)(b) of the Capital Markets and Services Act 2007 and subject to the observance of all applicable laws and regulations in any jurisdiction (including Malaysia).

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## 14 Mexico

The PD Debt Instruments have not been, and will not be, registered with the Mexican National Registry of Securities (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comision Nacional Bancaria y de Valores*) nor with the Mexican Stock Exchange. Accordingly, each purchaser or subscriber of the PD Debt Instruments will be required to represent and agree, that it has not offered or sold the PD Debt Instruments publicly in the United Mexican States ("**Mexico**"). This Base Prospectus and any applicable Final Terms may not be publicly distributed in Mexico. The PD Debt Instruments may be privately

placed in Mexico among institutional and qualified investors pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law.

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**15 Taiwan**

The PD Debt Instruments have not been, and will not be, registered with the Financial Supervisory Commission of Taiwan, the Republic of China ("**Taiwan**") pursuant to applicable securities laws and regulations. No person or entity in Taiwan is authorised to distribute or otherwise intermediate the offering of the PD Debt Instruments or the provision of information relating to the Programme, including, but not limited to, this Base Prospectus. The PD Debt Instruments may be made available for purchase outside Taiwan by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors), but may not be issued, offered or sold in Taiwan.

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**16 Changes to these selling restrictions**

These selling restrictions may be changed by the Issuer and a Dealer including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any change will be set out in the Final Terms issued in respect of the PD Debt Instruments to which it relates.

Persons into whose hands this Base Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell, transfer or deliver PD Debt Instruments or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale, transfer or delivery by them of any PD Debt Instruments under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and neither Issuer nor any Dealer shall have responsibility therefor. In accordance with the above, any PD Debt Instruments purchased by any person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Base Prospectus or any further prospectus or corresponding document relating to the PD Debt Instruments in such country or jurisdiction.

# Taxation

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## Australian Taxation

*The following is a general summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”) and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this Base Prospectus, of payments of interest and certain other amounts on the PD Debt Instruments to be issued by the Issuer under the Programme and certain other matters. It is a summary of the Australian withholding taxes that could apply in relation to the issue, transfer and settlement of PD Debt Instruments issued under the Programme. This summary is not exhaustive and does not deal with any Australian income tax aspects of acquiring, holding or disposing of the PD Debt Instruments.*

*This summary applies to non-residents of Australia (other than non-residents acting at or through a permanent establishment in Australia) and Australian residents acting at or through a permanent establishment outside of Australia and is not exhaustive and should be treated with appropriate caution. In particular, the summary does not deal with the position of certain classes of PD Debt Instrument Holders (including dealers in securities, custodians or other third parties who hold PD Debt Instruments on behalf of other persons). Prospective PD Debt Instrument Holders should also be aware that particular terms of issue of any Series of PD Debt Instruments may affect the tax treatment of that and other Series of PD Debt Instruments.*

*This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of PD Debt Instruments should consult their professional advisers on the tax implications of an investment in the PD Debt Instruments for their particular circumstances.*

### 1 Introduction

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of interest withholding tax (“IWT”) and dividend withholding tax. IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or an Australian resident acting at or through a permanent establishment outside Australia unless an exemption is available. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

### 2 Interest Withholding Tax

An exemption from IWT is available in respect of PD Debt Instruments issued by the Issuer if those PD Debt Instruments are characterised as “debentures” and are not characterised as “equity interests” for the purposes of the Australian Tax Act and the requirements of section 128F of the Australian Tax Act are satisfied. The Issuer intends to issue PD Debt Instruments which will be characterised as “debentures” and which are not “equity interests” for these purposes and will satisfy the requirements of section 128F of the Australian Tax Act.

If PD Debt Instruments are issued which are not so characterised or which do not satisfy the requirements of section 128F of the Australian Tax Act, further information on the material Australian tax consequences of payments of interest and certain other amounts on those PD Debt Instruments will be specified in the relevant Final Terms (or another relevant supplement to this Base Prospectus).

The requirements in section 128F for an exemption from IWT in respect of the PD Debt Instruments issued by MGL are as follows:

- (a) MGL is a company as defined in section 128F(9) of the Australian Tax Act and is a resident of Australia when it issues those PD Debt Instruments and when interest is paid;
- (b) those PD Debt Instruments are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that MGL is offering those PD Debt Instruments for issue. In summary, the five methods are:
  - (i) offers to 10 or more unrelated financiers or securities dealers;
  - (ii) offers to 100 or more investors;
  - (iii) offers of listed PD Debt Instruments;
  - (iv) offers via publicly available information sources; and
  - (v) offers to a dealer, manager or underwriter who offers to sell those PD Debt Instruments within 30 days by one of the preceding methods.

In addition, the issue of any of those PD Debt Instruments (whether in global form or otherwise) and the offering of interests in any of those PD Debt Instruments by one of these methods should satisfy the public offer test;

- (c) MGL does not know, or have reasonable grounds to suspect, at the time of issue, that those PD Debt Instruments or interests in those PD Debt Instruments were being, or would later be, acquired, directly or indirectly, by an “associate” of MGL, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, MGL does not know, or have reasonable grounds to suspect, that the payee is an “associate” of MGL, except as permitted by section 128F(6) of the Australian Tax Act.

#### *Compliance with section 128F of the Australian Tax Act*

Unless otherwise specified in any relevant Final Terms (or another supplement to this Base Prospectus), MGL intends to issue the PD Debt Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

#### *Interest withholding tax exemptions under recent tax treaties*

The Australian Government has signed or announced new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”). In broad terms, once implemented, the New Treaties effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with MGL. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-



to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury's Department's website.

#### *Bearer PD Debt Instruments - section 126 of the Australian Tax Act*

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of (currently) 45% on the payment of interest on Bearer PD Debt Instruments if MGL fails to disclose the names and addresses of the holders of Bearer PD Debt Instruments to the Australian Taxation Office, but is limited in its application to persons in possession of Bearer PD Debt Instruments who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in the relevant Bearer PD Debt Instruments are held through Euroclear or Clearstream, Luxembourg, or the CMU Service, MGL intends to treat the operators of those clearing systems as the PD Debt Instrument Holder for the purposes of section 126 of the Australian Tax Act.

#### *Payment of additional amounts*

As set out in more detail in the applicable Final Terms of the PD Debt Instrument, if MGL is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by Australia or any political subdivision or taxing authority in Australia in respect of the PD Debt Instruments, MGL must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the PD Debt Instruments after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If MGL is compelled by law in relation to any PD Debt Instrument to deduct or withhold an amount in respect of any withholding taxes and is to pay the additional amounts mentioned above, MGL will have the option to redeem those PD Debt Instruments in accordance with the applicable Final Terms. Among other exceptions, no additional amounts are payable in relation to any payment in respect of the PD Debt Instruments to, or to a third party on behalf of, a holder of the PD Debt Instruments who is liable for the taxes in respect of the PD Debt Instruments by reason of the holder of the PD Debt Instrument being an associate of MGL for the purposes of section 128F(9) of the Australian Tax Act.

### **3 Other Australian tax matters**

Under Australian laws as presently in effect:

- (a) *death duties* - no PD Debt Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or the transfer of any PD Debt Instruments;
- (c) *TFN withholding taxes* - assuming the requirements of section 128F are satisfied with respect to the PD Debt Instruments, then the tax file number ("TFN") withholding requirements of Australia's tax legislation do not apply to payments to a Holder of PD Debt Instruments in registered form who is not a resident of Australia and does not hold those PD Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia. Payments to other persons may be subject to a

withholding where that person does not quote a TFN or Australian Business Number or provide proof of an appropriate exemption;

- (d) *ABN supply withholding tax* - payments in respect of the PD Debt Instruments can be made free and clear of the “supply withholding tax” imposed under Australia’s tax legislation;
- (e) *goods and services tax (“GST”)* - none of the issue or receipt of the PD Debt Instruments, the payment of principal or interest by MGL nor the disposal of PD Debt Instruments will give rise to any GST liability in Australia;
- (f) *additional withholdings from certain payments to non-Australian residents* – section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-Australian residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Base Prospectus are not relevant to payments in respect of the PD Debt Instruments. Any further regulations should also not apply to repayments of principal under the PD Debt Instruments, as in the absence of any issue discount such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the PD Debt Instruments will need to be monitored;
- (g) *garnishee directions by the Commissioner of Taxation (“Commissioner”)* – the Commissioner may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 of the Taxation Administration Act (or any other analogous provision under another statute) requiring MGL to deduct from any payment to any other entity (including any Holder) any amount in respect of tax payable by that other entity. If MGL is served with such a direction in respect of a Holder, then MGL will comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction. For example, in broad terms, if an amount was owing by MGL to a Holder and that Holder had an outstanding Australian tax-related liability owing to the Commissioner, the Commissioner may issue a notice to MGL requiring MGL to pay the Commissioner the amount owing to the Holder; and
- (h) *taxation of financial arrangements* - division 230 of the Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The rules do not apply to certain taxpayers or in respect of certain short term “financial arrangements”. They should not, for example, generally apply to holders of the PD Debt Instruments which are individuals and certain other entities (eg certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential holders of PD Debt Instruments should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

The rules in division 230 do not alter the rules relating to the imposition of IWT. In particular, the rules do not override the IWT exemption available under section 128F of the Australian Tax Act.

## United Kingdom Taxation

*The following is a summary of the withholding taxation treatment and information reporting requirements under current United Kingdom tax law and HM Revenue & Customs ("HMRC") published practice at the date of this Base Prospectus in relation to PD Debt Instruments issued by MGL. It is a general guide, is not intended to be exhaustive and should be treated with appropriate caution. It relates only to the position of persons who are the absolute beneficial owners of their PD Debt Instruments and Coupons and may not, in whole or in part, apply where the income is deemed for tax purposes to be the income of any other person or apply to certain classes of persons such as dealers or certain professional investors or persons connected with MGL. The United Kingdom tax treatment of prospective PD Debt Instrument Holders depends on their individual circumstances and may be subject to change in the future (possibly with retroactive effect). This summary does not purport to be legal or tax advice. PD Debt Instrument Holders who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the PD Debt Instruments for their particular circumstances.*

- 1 No withholding or deduction for or on account of United Kingdom taxes will be required in respect of interest on the PD Debt Instruments unless it has a United Kingdom source.
- 2 There is no withholding or deduction for, or on account of, United Kingdom taxes in respect of any "discount" in respect of a discounted PD Debt Instrument even in a case where such discount has a United Kingdom source.
- 3 **HMRC's power to obtain information**

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

## EU Savings Directive

Under EC Council Directive 2003/48/EC ("**Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest or similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent on the conclusion of certain other agreements relating to information exchanged with certain other countries), deducting tax at a rate of 35%. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding tax system in the case of Switzerland). The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system, or through a non-EU country or territory which has adopted measures implementing, complying with or introduced in order to conform to the Directive and has opted for a withholding system and, an amount of, or in respect of, tax were to be withheld from that payment there would be no obligation to pay additional amounts with respect to any PD Debt Instruments as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive. The attention of the PD Debt Instrument Holders is drawn to Condition 8 of the Terms and Conditions of the PD Debt Instruments.

## EU Financial Transactions Tax

On 14 February 2013, the European Commission produced a proposal for a council directive on a common system of financial transaction tax ("**FTT**") to be implemented under enhanced co-operation by 11 Member States, namely Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain. If all participating Member States agree implementing legislation by 30 September 2013, it is proposed that the FTT will apply in those 11 Member States from 1 January 2014. The proposal is not yet in final form and may be delayed beyond 1 January 2014 or may not be implemented.

If adopted in its current form then, subject to certain exemptions, the FTT will apply to financial transactions as defined including: (a) purchases or sales of a wide range of "financial instruments" which is very broadly defined and includes shares, bonds, money-market instruments and many other instruments; and (b) the conclusion of derivative contracts, (each a "**Financial Transaction**").

FTT will be chargeable at rates to be determined by each participating Member State, but that a rate must be set at least equal to: (a) 0.1 per cent of the price paid or, if higher, the market value of the financial instruments under (a) above; and (b) 0.01 per cent of the notional value of the derivative contract under (b) above.

In order for FTT to apply to a particular Financial Transaction, (a) at least one party must be "established" in a participating Member State; and (b) a financial institution "established" in a participating Member State must be a party to that transaction. A financial institution can be treated as established in a participating Member State if the other party to the transaction is established in a participating Member State or the PD Debt Instrument which is the subject of the Financial Transaction is issued within a participating Member State.

The FTT will primarily be a tax levied on financial institutions (such as banks, credit institutions and pension funds). However, such financial institutions may choose to transfer the FTT cost on to other persons and, in particular, PD Debt Instrument Holders, who may consequently suffer additional

transaction costs. Prospective holders of PD Debt Instruments are strongly advised to seek their own professional advice in relation to the FTT.

## United States Taxation

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

### *Bearer PD Debt Instruments*

Bearer PD Debt Instruments having a maturity of more than one year (other than Temporary Global PD Debt Instruments) and any Coupon or Talon appertaining thereto will bear a legend substantially to the following effect: "Any United States person (as defined in the U.S. Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code".

### *Foreign Account Tax Compliance Act*

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any PD Debt Instruments characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any PD Debt Instruments characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If PD Debt Instruments are issued before the grandfathering date, and additional PD Debt Instruments of the same series are issued on or after that date, the additional PD Debt Instruments may not be treated as grandfathered, which may have negative consequences for the existing PD Debt Instruments, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or

an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the PD Debt Instruments are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such PD Debt Instruments is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the PD Debt Instruments, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the PD Debt Instruments, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Whilst the PD Debt Instruments are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the PD Debt Instruments by the Issuer, any paying agent and the Common Depositary, given that each of the entities in the payment chain beginning with the Issuer and ending with the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the PD Debt Instruments. The documentation expressly contemplates the possibility that the PD Debt Instruments may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive PD Debt Instruments will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

## Use of Proceeds

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MGL intends to use the net proceeds from the issuance of PD Debt Instruments for the general corporate purposes of the Macquarie Group.

## General Information

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### Authorisation

- 1 MGL has obtained all necessary consents, approvals and authorisations in Australia in connection with the issue and performance of the PD Debt Instruments. The establishment of the Programme and the issue of the PD Debt Instruments by MGL was authorised by resolutions of the board of directors of MGL on 12 November 2007 and various resolutions of a board delegated committee of MGL, most recently on 20 June 2013.

### Auditors

- 2 The auditors of the Macquarie Group in Australia are PricewaterhouseCoopers.

### Other issuance under the Programme

- 3 The Dealer Agreement provides that MGL may issue PD Debt Instruments in a form not contemplated by this Base Prospectus. If any such PD Debt Instruments are to be listed on the London Stock Exchange, MGL will issue a replacement Base Prospectus describing the form (and terms and conditions) of such PD Debt Instruments.

The Dealer Agreement also provides that MGL may approve any subsidiary of MGL as an additional issuer under the Programme, subject to the satisfaction of certain conditions.

If an additional issuer wishes to issue PD Debt Instruments to be listed on the London Stock Exchange, a replacement Base Prospectus will be issued by MGL or that additional issuer setting out additional information about that additional issuer and the form (and terms and conditions) of such PD Debt Instruments.

### Documents available

- 4 For so long as any PD Debt Instruments shall be outstanding or the Programme remains in effect, copies of the following documents may be inspected during normal business hours at, and copies of documents (e), (f) and (g) are available free of charge from, the specified office of the I&P Agent, the CMU Lodging Agent, any Paying Agent or the Registrar as set out at the end of this Base Prospectus and/or from the registered office of MGL:
  - (a) the constitution of MGL;
  - (b) the Dealer Agreement and any agreement which amends or supplements it;
  - (c) the Agency Agreement (which includes the form of the Global PD Debt Instruments, the Definitive PD Debt Instruments, the Coupons, the Talons and the form of certificate relating to the Registered PD Debt Instruments) and any agreement which amends or supplements it;
  - (d) the Master Deed of Covenant;
  - (e) the 2012 annual report and the 2013 annual report of the Macquarie Group which includes the audited annual financial statements of MGL and MGL consolidated with its controlled entities for the financial years ended 31 March 2012 and 31 March 2013 and the auditor's reports in respect of such financial statements (see "Selected Financial



Information” on pages 119 to 121 inclusive of this Base Prospectus for further information on the financial statements of MGL and MGL consolidated with its controlled entities);

- (f) each Final Terms for PD Debt Instruments that are listed on the London Stock Exchange or any other stock exchange;
- (g) a copy of this Base Prospectus, together with any supplement to this Base Prospectus;
- (h) a copy of the subscription agreement for PD Debt Instruments issued on a syndicated basis that are listed on the London Stock Exchange; and
- (i) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

The Final Terms issued for each Tranche of PD Debt Instruments to be listed on the London Stock Exchange will be published on the London Stock Exchange’s internet site [www.londonstockexchange.com/home/homepage.htm](http://www.londonstockexchange.com/home/homepage.htm).

This Base Prospectus and the other documents, or portions of documents, incorporated by reference as set out in this Base Prospectus are available on the internet site [www.macquarie.com.au](http://www.macquarie.com.au).

MGL will also provide, without charge, upon the written request of any person, a copy of this Base Prospectus, the Final Terms issued for each Tranche of PD Debt Instruments to be listed on the London Stock Exchange and any or all of the documents which, or portions of which, are incorporated in this Base Prospectus by reference. Written requests for such documents should be directed to MGL at its office set out at the end of this Base Prospectus.

## Clearing

- 5 The PD Debt Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and International Securities Identification Number (“ISIN”) in relation to the PD Debt Instruments of each Series will be specified in the relevant Final Terms. The Issuer may also apply to have the PD Debt Instruments accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the relevant Final Terms.

Pursuant to the Agency Agreement the I&P Agent or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU Lodging Agent shall arrange that, where a further Tranche of PD Debt Instruments is issued which is intended to form a single Series with an existing Tranche of PD Debt Instruments, the PD Debt Instruments of such further Tranche shall be assigned a Common Code and ISIN by Euroclear and Clearstream, Luxembourg or, in the case of PD Debt Instruments cleared through the CMU Service, a CMU instrument number by the CMU Service which are different from the Common Code and ISIN or, in the case of PD Debt Instruments cleared through the CMU Service, the CMU instrument number assigned to PD Debt Instruments of any other Tranche of the same Series until at least 40 days after the completion of the distribution of the PD Debt Instruments of such Tranche.

## Australian approvals

- 6 No approvals are currently required under Australian law for or in connection with the issue of the PD Debt Instruments by MGL or for or in connection with the performance and enforceability of

such PD Debt Instruments or Coupons. However regulations in Australia prohibit payments, transactions and dealings with assets or named individuals or entities subject to international sanctions or associated with terrorism.

### Fixed Rate PD Debt Instruments yield

- 7 The yield specified in the relevant Final Terms in relation to any Fixed Rate PD Debt Instruments has been calculated as at the Issue Date on the basis of the relevant Issue Price, using the formula set out below.

$$P = \frac{C}{r} (1 - (1+r)^{-n}) + A(1 + r)^{-n}$$

where:

“P” is the Issue Price of the PD Debt Instruments;

“C” is the annualised Interest Amount;

“A” is the principal amount of PD Debt Instruments due on redemption;

“n” is time to maturity in years; and

“r” is the annualised yield.

The yield indicated will be calculated as the yield to maturity of the relevant Fixed Rate PD Debt Instruments and will not reflect the yield of such Fixed Rate PD Debt Instruments purchased on a different date at a different price. It is not an indication of future yield.

## ISSUER

**Macquarie Group Limited**  
No. 1 Martin Place  
Sydney NSW 2000  
Australia  
Telephone: + 61 2 8232 3608  
Facsimile: + 61 2 8232 4227  
Attention: Treasurer

## DEALERS

**Australia and New Zealand Banking  
Group Limited**  
ANZ Tower, Level 6  
242 Pitt Street  
Sydney NSW 2000  
Australia  
Telephone: + 61 2 8037 0200  
Facsimile: + 61 2 8937 7111  
Attention: Head of Bond Syndicate, Global  
Markets

**Citibank International plc**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom  
Telephone: + 44 (020) 7986 9070  
Facsimile: + 44 (020) 7986 6837  
Attention: Short - Term Fixed Income Desk

**Credit Suisse Securities (Europe) Limited**  
One Cabot Square  
London E14 4QJ  
United Kingdom  
Telephone: + 44 (020) 7888 4021  
Facsimile: + 44 (020) 7905 6128  
Attention: MTN Trading Desk

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom  
Telephone: + 44 (020) 7773 9090  
Facsimile: + 44 (020) 7516 7548  
Attention: MTN Dealers

**Commonwealth Bank of Australia**  
Darling Park Tower 1  
Level 23, 201 Sussex Street  
Sydney NSW 2000  
Australia  
Telephone: + 61 2 9118 1217  
Facsimile: + 61 2 9118 1002  
Attention: Head of Fixed Income Origination

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Telephone: + 44 (020) 7545 2761  
Facsimile: + 44 (020) 7545 4289  
Attention: PPSN Trading Desk

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom  
Telephone: +44 (020) 7991 8888  
Facsimile: +44 (020) 7992 4973  
Attention: Transaction Management Group

**ING Bank NV**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands  
Telephone: +44 31 20 563 8185  
Facsimile: +44 31 20 563 8502  
Attention: DCM Origination / TRC 00.032

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom  
Telephone: + 44 (020) 7134 1470  
Facsimile: + 44 (020) 3493 1413  
Attention: Euro Medium Term Note Desk

**Macquarie Bank International Limited**  
Ropemaker Place  
28 Ropemaker Street  
London EC2Y 9HD  
United Kingdom  
Telephone: + 44 (020) 3037 4625  
Facsimile: + 44 (020) 7065 2017  
Attention: Head of Origination and Structuring

**Macquarie Bank Limited**  
No. 1 Martin Place  
Sydney NSW 2000  
Australia  
Telephone: + 61 2 8232 8427  
Facsimile: + 61 2 8232 8344  
Attention: Head of Origination and Structuring

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom  
Telephone: + 44 (020) 7995 3995  
Facsimile: + 44 (020) 7995 2968  
Attention: EMTN Trading and Distribution Desk

**National Australia Bank Limited**  
88 Wood Street  
London EC2 7QQ  
United Kingdom  
Telephone: + 44 (020) 7710 1369  
Facsimile: + 44 (020) 7710 1959  
Attention: Debt Capital Markets Origination

**SMBC Nikko Capital Markets Limited**  
One New Change  
London EC4M 9AF  
United Kingdom  
Telephone: + 44 (020) 3527 7000  
Facsimile: + 44 (020) 3527 7500  
Attention: Transaction Management

**Standard Chartered Bank**  
Marina Bay Financial Centre, Tower 1  
8 Marina Boulevard  
Level 20  
Singapore 018981  
Telephone: +65 6596 8397  
Facsimile: + 65 6535 1931  
Attention: Capital Markets

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom  
Telephone: + 44 (020) 7085 4154  
Facsimile: + 44 (020) 7085 2591  
Attention: Euro Medium Term Note Desk

**Westpac Banking Corporation**  
Level 2  
Westpac Place  
275 Kent Street  
Sydney NSW 2000  
Australia  
Telephone: + 61 2 8253 4574  
Facsimile: + 61 2 8254 6937  
Attention: Executive Director,  
Head of Debt Securities

## **ISSUE AND PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom  
Telephone: + 44 (020) 7545 8000  
Facsimile: + 44 (020) 7547 5782  
Attention: Trust & Securities Services

## **CMU LODGING AGENT**

**Deutsche Bank AG, Hong Kong Branch**  
52nd Floor, International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong  
Telephone: + 852 2203 7858  
Facsimile: + 852 2203 7320/7323  
Attention: Trust & Securities Services

## **AUSTRALIAN REGISTRAR**

**Austraclear Services Limited**  
20 Bridge Street  
Sydney NSW 2000  
Australia

## **AUSTRALIAN AND ENGLISH LEGAL ADVISERS**

**To the Issuer**

**King & Wood Mallesons**  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

## **AUDITORS**

**To the Issuer**

**PricewaterhouseCoopers**  
201 Sussex Street  
Sydney NSW 2000  
Australia

## OFFERING CIRCULAR – APPLICABLE TO NON-PD DEBT INSTRUMENTS

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PAGES 147 TO 211 INCLUSIVE OF THIS OFFERING MEMORANDUM COMPRISE AN OFFERING CIRCULAR (“OFFERING CIRCULAR”). THE OFFERING CIRCULAR HAS BEEN PREPARED BY THE ISSUER IN CONNECTION WITH THE ISSUANCE OF DEBT INSTRUMENTS OTHER THAN DEBT INSTRUMENTS TO BE ADMITTED TO THE OFFICIAL LIST OF THE UK LISTING AUTHORITY AND TO BE ADMITTED TO TRADING ON THE LONDON STOCK EXCHANGE’S REGULATED MARKET (“NON-PD DEBT INSTRUMENTS”). THE OFFERING CIRCULAR HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE DIRECTIVE 2003/71/EC, AS AMENDED (“PROSPECTUS DIRECTIVE”).

The Offering Circular is to be read in conjunction with the following sections of the base prospectus set out on pages 1 to 146 inclusive of this Offering Memorandum (“**Base Prospectus**”) (save as amended herein):

- Risk Factors;
- General Description of the Programme;
- Documents Incorporated by Reference;
- Form of the PD Debt Instruments;
- Macquarie Group Limited;
- Selected Financial Information;
- Subscription and Sale;
- Taxation;
- Use of Proceeds; and
- General Information,

each of which shall be deemed to be incorporated by reference herein. This Offering Circular shall be read on the basis that such sections of the Base Prospectus are so incorporated and form part of this Offering Circular.

Macquarie Group Limited (ABN 94 122 169 279) (“**Issuer**” or “**MGL**”) may offer from time to time unsecured, unsubordinated or subordinated debt obligations as described in the Base Prospectus. Non-PD Debt Instruments may be issued under this Offering Circular as specified in the applicable Pricing Supplement (as defined below). Any Non-PD Debt Instruments issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Non-PD Debt Instruments issued before the date of this Offering Circular. The Issuer has previously published, and may in the future publish, other prospectuses or offering documents in relation to the issue of other classes of debt obligations under the Programme.

The Issuer is not an authorised deposit-taking institution (“**ADI**”) for the purposes of the Banking Act 1959 of Australia (“**Banking Act**”), and its obligations do not represent deposits, protected accounts or other liabilities of its subsidiary, Macquarie Bank Limited (ABN 46 008 583 542) (“**MBL**” or “**Macquarie Bank**”). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MGL. In this Base Prospectus references to the “**Macquarie Group**” are references to MGL and its controlled

entities and references to the “**Banking Group**” are references to Macquarie Bank and its controlled entities.

The Non-PD Debt Instruments have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**Securities Act**”) and will be issued in bearer or registered form. The Non-PD Debt Instruments are being offered outside the United States by the Dealers in accordance with Regulation S under the Securities Act, and may not be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, “**U.S. persons**” except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Non-PD Debt Instruments in bearer form with a maturity of more than one year are subject to U.S. tax law requirements and, pursuant to the terms of the Programme, may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. Internal Revenue Code of 1986, as amended (“**U.S. Internal Revenue Code**”) and U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and U.S. tax regulations.

The aggregate principal amount of PD Debt Instruments and Non-PD Debt Instruments outstanding will not at any time exceed the Programme Limit (or the equivalent in other currencies at the date of issue). Any such issue will be made pursuant to such documentation as MGL may determine.

Non-PD Debt Instruments will be issued in one or more tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). Tranches of Non-PD Debt Instruments within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

There are references in this Offering Circular to credit ratings. A credit rating is not a recommendation to buy, sell or hold the Non-PD Debt Instruments and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act 2001 of Australia (“**Corporations Act**”) and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.

The rating of certain Series of Non-PD Debt Instruments to be issued under the Programme may be specified in the Pricing Supplement.

The pricing supplement (“**Pricing Supplement**”) issued for each Tranche of Non-PD Debt Instruments will contain details of the aggregate principal amount of the Tranche of Non-PD Debt Instruments and the interest (if any) payable in respect of, and the issue price, issue date and maturity date of the Tranche of Non-PD Debt Instruments, together with any other terms and conditions not contained in this Offering Circular which apply to that Tranche of Non-PD Debt Instruments. In addition, as agreed between MGL and the relevant Dealer(s), Pricing Supplement may also be issued for other Tranches of Non-PD Debt Instruments.

Internet site addresses in this Offering Circular are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Offering Circular.

This Offering Circular and the documents incorporated in this Offering Circular by reference (see “Documents incorporated by reference” on pages 44 and 45 of the Base Prospectus as incorporated by reference into this Offering Circular) are available on the internet site [www.macquarie.com.au](http://www.macquarie.com.au). MGL will also provide, without charge, upon the written request of any person, a copy of this Offering Circular, the Pricing Supplement issued for each Tranche of Non-PD Debt Instruments and any or all of the documents which, or portions of which, are incorporated in this Offering Circular by reference. Written requests for such documents should be directed to MGL at its office set out at the end of this Offering Circular. In addition, such documents will be available for inspection and available free of charge at the offices of Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2 2DB, England or, in relation to Non-PD Debt Instruments cleared through the Central Moneymarkets Unit Service (“**CMU Service**”) in Hong Kong, at the offices of Deutsche Bank AG, Hong Kong Branch, 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

Each Series of Non-PD Debt Instruments will (a) be represented on issue by a temporary global debt instrument in bearer form without coupons or talons (each a “**Temporary Global Non-PD Debt Instrument**”) or a permanent global debt instrument in bearer form (each a “**Permanent Global Non-PD Debt Instrument**”) (together, “**Global Non-PD Debt Instruments**”), or (b) take the form of an entry in a register (“**Registered Non-PD Debt Instrument**”).

Global Non-PD Debt Instruments may be deposited on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or, in the case of Non-PD Debt Instruments cleared through the CMU Service, a sub-custodian for the CMU Service .

The provisions governing the exchange of interests in Global Non-PD Debt Instruments for other Global Non-PD Debt Instruments and definitive Non-PD Debt Instruments are described in “Form of Non-PD Debt Instruments” which is incorporated by references into and forms part of this Offering Circular. No certificate or other evidence of title will be issued in respect of Registered Non-PD Debt Instruments unless MGL determines that certificates should be available or it is required to do so pursuant to applicable law or regulation.

Save to the extent specified herein, terms defined in the sections of the Base Prospectus incorporated by reference herein shall have the same meaning when used in this Offering Circular.

For the purposes of the issue of Non-PD Debt Instruments: (i) those sections of the Base Prospectus incorporated by reference herein; (ii) the terms and conditions of the Non-PD Debt Instruments as set out in Schedule A; and (iii) the form of the Pricing Supplement as set out in Schedule B shall be deemed to be amended and supplemented as follows:

1. all references to the “Programme” shall be references to the programme for the issuance of debt instruments set out in this document;
2. all references to the “Base Prospectus” shall be deemed to be references to the “Offering Circular”;
3. all references to the “Terms and Conditions of the PD Debt Instruments” shall be deemed to be references to the “Terms and Conditions of the Non-PD Debt Instruments” as set out in Schedule A to the Offering Circular;
4. all references to “Final Terms” shall be deemed to be references to the “Pricing Supplement” set out in Schedule B to the Offering Circular;
5. all references to “PD Debt Instruments” or “Debt Instruments” shall be deemed to be references to “Non-PD Debt Instruments”; and



6. in addition to the Debt Instruments which may be issued under the Programme as described in the “General Description of the Programme”, the Issuer may issue Non-PD Debt Instruments on such other terms as may be set out in the applicable Pricing Supplement.

## Important Notice

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This Offering Circular has not been, nor will be, lodged with the Australian Securities and Investments Commission ("ASIC") and is not a 'prospectus' or other 'disclosure document' for the purposes of the Corporations Act. In addition, see the selling restrictions in "Subscription and Sale" incorporated into and forming part of this Offering Circular.

This Offering Circular has been prepared on the basis that any offer of Non-PD Debt Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant EEA State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant EEA State, from the requirement to publish a prospectus for offers of Non-PD Debt Instruments or otherwise will not be subject to such requirements. Accordingly any person making or intending to make an offer in that Relevant EEA State of Non-PD Debt Instruments which are the subject of an offering contemplated in this Offering Circular as completed by the relevant Pricing Supplement in relation to the offer of those Non-PD Debt Instruments may only do so in the circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Non-PD Debt Instruments in circumstances in which an obligation arises for an Issuer or any Dealer to publish or supplement a prospectus for such offer.

### Responsibility

MGL accepts responsibility for the information contained in this Offering Circular. To the best of MGL's knowledge (after having taken reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and this Offering Circular contains no omission likely to affect its import.

If any person intending to acquire, or acquiring, any Non-PD Debt Instruments is in any doubt about whether it can rely on this Offering Circular and/or who is responsible for its contents it should take legal advice.

### Documents incorporated by reference

This Offering Circular is to be read in conjunction with the documents which are incorporated herein by reference (see "Documents incorporated by reference" as set out on pages 44 and 45 of the Base Prospectus as incorporated by reference into this Offering Circular). This Offering Circular shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

### No independent verification or advice

None of the Dealers (as named on the cover page of this Offering Memorandum or as may be appointed from time to time) or the Agents (as defined in the Conditions) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Dealer or Agent as to the accuracy or completeness of any of the information contained in this Offering Circular or any further information supplied in connection with the Programme.

Neither this Offering Circular nor any other information provided in connection with the Programme or the Non-PD Debt Instruments is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things,

by MGL or any Dealer or Agent that any recipient of this Offering Circular purchase any Non-PD Debt Instruments or any rights in respect of any Non-PD Debt Instruments. Each investor contemplating purchasing any Non-PD Debt Instruments or any rights in respect of any Non-PD Debt Instruments under the Programme should make (and shall be deemed to have made) its own independent assessment of the financial condition and affairs of, and its own appraisal of the creditworthiness of, MGL. No advice is given in respect of the taxation treatment of investors in connection with investment in any Non-PD Debt Instruments and each investor is advised to consult its own professional adviser.

### **Currency of information**

Neither the delivery of this Offering Circular nor any sale made in connection with this Offering Circular at any time implies that the information contained herein concerning MGL is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated. Investors should review, amongst other things, the documents deemed to be incorporated herein by reference when deciding whether or not to purchase any Non-PD Debt Instruments.

### **No review of affairs of MGL or the Banking Group**

None of the Dealers or the Agents undertakes to review the financial condition or affairs of MGL or the Banking Group during the life of the Programme or to advise any investor in the Non-PD Debt Instruments of any information coming to the attention of any Dealer or Agent.

### **Risk factors**

An investment in the Non-PD Debt Instruments involves risks that include, without limitation, those described in "Risk Factors" which are incorporated into and form part of this Offering Circular.

### **Non-PD Debt Instruments may not be a suitable investment for all investors**

Investors should have (either alone or with the help of a financial adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of Non-PD Debt Instruments and the information contained in or incorporated by reference in this Offering Circular or any applicable supplement or Pricing Supplement as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their particular circumstance.

### **Risks related to the structure of a particular issue of Non-PD Debt Instruments**

A range of Non-PD Debt Instruments may be issued under the Programme. A number of these Non-PD Debt Instruments may have features which contain particular risks for potential investors. The risks of a particular Non-PD Debt Instrument will depend on the terms of such Non-PD Debt Instrument, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formula. Prospective investors could lose all or a substantial portion of their investment.

Such risks generally depend on factors over which MGL has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant securities, assets or other property. Neither the current nor the historical price, value or performance of (A) the relevant interest rates or other indices or formulae, (B) the relevant classes of securities, assets or other property, or (C) the relevant entities should be taken as an indication of future price, value or performance during the term of any Non-PD Debt Instrument.

## Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (A) Non-PD Debt Instruments are legal investments for it, (B) Non-PD Debt Instruments can be used as collateral for various types of borrowing and (C) other restrictions apply to its purchase or pledge of any Non-PD Debt Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Non-PD Debt Instruments under any applicable risk-based capital or similar rules.

## No authorisation

No person has been authorised to give any information or make any representations not contained in this Offering Circular in connection with MGL, the Banking Group, the Programme or the issue or sale of the Non-PD Debt Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by MGL or any Dealer or Agent.

## Distribution

The Non-PD Debt Instruments have not been and will not be registered under the Securities Act. The Non-PD Debt Instruments are being offered outside the United States by the Dealers in accordance with Regulation S under the Securities Act, and may not be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Non-PD Debt Instruments with a maturity of more than one year are subject to United States tax law requirements and, pursuant to the terms of the Programme, may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by the U.S. Internal Revenue Code, and U.S. tax regulations.

The distribution of this Offering Circular and any Pricing Supplement and the offer or sale of Non-PD Debt Instruments may be restricted in certain jurisdictions. Neither MGL nor any Dealer or Agent represents that this Offering Circular may be lawfully distributed, or that any Non-PD Debt Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular no action has been taken by MGL or any Dealer or Agent which would permit a public offering of any Non-PD Debt Instruments or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Non-PD Debt Instruments may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

Persons into whose possession this Offering Circular or any Non-PD Debt Instruments come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Non-PD Debt Instruments in Australia, the United States of America ("**United States**"), the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Korea, India, Canada, the People's Republic of China ("**PRC**"), Malaysia, Mexico and Taiwan (see "Representations and Warranties of Investors" on pages 156 and 157 of this Offering Circular and "Subscription and Sale" on pages 122 to 131 inclusive of the Base Prospectus which is incorporated into and forms part of this Offering Circular).

## **No offer**

Neither this Offering Circular nor any other information provided in connection with the Programme or the Non-PD Debt Instruments is intended to, nor does it, constitute an offer or invitation by or on behalf of MGL or any Dealer or Agent to any person to subscribe for, purchase or otherwise deal in any Non-PD Debt Instruments nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Non-PD Debt Instruments.

## **Forward-Looking Statements about MGL**

This Offering Circular contains and incorporates by reference statements that constitute forward-looking statements. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding MGL's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Examples of these forward-looking statements include, but are not limited to (i) statements regarding our future results of operations and financial condition, (ii) statements of plans, objectives or goals, including those related to our products or services, and (iii) statements of assumptions underlying those statements. Words such as "may," "will," "expect," "intend," "plan," "estimate," "anticipate," "believe," "continue", "probability," "risk," and other similar words are intended to identify forward-looking statements, but are not the exclusive means of identifying those statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of MGL, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of MGL and the environment in which it will operate in the future. These forward-looking statements speak only as of the date of this Offering Circular. MGL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Offering Circular, or incorporated herein by reference, to reflect any change in the expectations of MGL with regard to such forward-looking statements or any change in events, conditions or circumstances on which any such forward-looking statement is based.

## **Stabilisation**

In connection with the issue of any Tranche of Non-PD Debt Instruments, the Dealer or Dealers (if any) named as stabilising manager(s) (or any person acting on behalf of any such stabilising manager(s)) in the relevant Pricing Supplement may over-allot Non-PD Debt Instruments or effect transactions outside Australia and on a market operated outside Australia with a view to supporting the market price of the Non-PD Debt Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilising manager(s) (or any persons acting on behalf of any such stabilising manager(s)) will undertake such stabilisation action.

Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Non-PD Debt Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Non-PD Debt Instruments and 60 days after the date of the allotment of the relevant Tranche of Non-PD Debt Instruments. Any stabilising action or over-allotment must be conducted by the relevant stabilising manager(s) (or any person acting on behalf of any such stabilising manager(s)) in accordance with all applicable laws and rules.

## **References to currencies**

In this Offering Circular references to:

- “U.S.\$” and “U.S. Dollars” are to the lawful currency of the United States;
- “A\$” and “Australian Dollars” are to the lawful currency of Australia;
- “£”, “sterling” and “Sterling” are to the lawful currency of the United Kingdom;
- “Yen” are to the lawful currency of Japan;
- “HKD” or “Hong Kong Dollars” are to the lawful currency of Hong Kong;
- “€”, “EUR” or “Euro” are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; and
- “RMB” or “Renminbi” are to the lawful currency of the PRC.

### **Supplemental Offering Circular**

The Issuer has undertaken that if there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any Non-PD Debt Instruments and whose inclusion in this Offering Circular or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Non-PD Debt Instruments, the Issuer will prepare and make available a supplement to this Offering Circular or a further offering document for use in connection with any subsequent issue of Non-PD Debt Instruments.

### **Additional United Kingdom Selling Restriction**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in relation to any Non-PD Debt Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell such Non-PD Debt Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Non-PD Debt Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

## Representations and Warranties of Investors

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### All investors

THE NON-PD DEBT INSTRUMENTS DESCRIBED IN THIS OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT. THE NON-PD DEBT INSTRUMENTS ARE BEING OFFERED AND SOLD SOLELY IN “OFFSHORE TRANSACTIONS” TO PERSONS THAT ARE NOT, AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, “U.S. PERSONS”, IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

Each initial and subsequent purchaser of Non-PD Debt Instruments will be deemed to have acknowledged, represented and agreed to and with MGL and each Dealer as follows:

- 1 The Non-PD Debt Instruments have not been, and will not be, registered under the Securities Act or any other applicable securities law and, accordingly, none of the Non-PD Debt Instruments may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in accordance with and subject to applicable law and the transfer restrictions which are incorporated into and form part of this Offering Circular.
- 2 It is a purchaser acquiring such Non-PD Debt Instruments in an offshore transaction occurring outside the United States within the meaning of Regulation S and that it is not a “U.S. person” (and is not acquiring such Non-PD Debt Instruments for the account or benefit of a U.S. person) within the meaning of Regulation S.
- 3 It acknowledges that MGL, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of Non-PD Debt Instruments are no longer accurate, it shall promptly notify MGL and the Dealer through which it purchased any Non-PD Debt Instruments. If it is acquiring any Non-PD Debt Instruments as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- 4 It is not an Offshore Associate (as defined below) and, if it purchases the Non-PD Debt Instruments, as part of the primary distribution of the Non-PD Debt Instruments, it will not sell any of the Non-PD Debt Instruments (or any interest in any of the Non-PD Debt Instruments) to any person as part of the primary distribution of the Non-PD Debt Instruments, if, at the time of such sale, its employees directly involved in the sale knew or had reasonable grounds to suspect that, as a result of the sale, such Non-PD Debt Instruments would be acquired (directly or indirectly) by an Offshore Associate. “Offshore Associate” means an associate (within the meaning of section 128F(9) of the Income Tax Assessment Act of 1936 of Australia) of MGL that is either a non-resident of Australia that does not acquire the Non-PD Debt Instruments in carrying on a business at or through a permanent establishment in Australia, or a resident of Australia that acquires the Non-PD Debt Instruments in carrying on a business at or through a permanent establishment outside Australia, provided that an associate acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Non-PD Debt Instruments, or a clearing house, custodian, funds manager

or responsible entity of a registered managed investment scheme under the Corporations Act is not an Offshore Associate for these purposes. For the avoidance of doubt, if its employees directly involved in a sale of Non-PD Debt Instruments do not know or suspect that a person is an associate of MGL, nothing in this paragraph 4 obliges it or its employees to make positive enquiries of that person to confirm that that person is not an Offshore Associate.

This Offering Circular and any supplement or Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Non-PD Debt Instruments or the distribution of this Offering Circular or any supplement or Pricing Supplement in any jurisdiction where such action is required.

In addition, the Non-PD Debt Instruments are subject to restrictions on transferability and resale. Investors may not transfer or resell the Non-PD Debt Instruments except as described in this Offering Circular and any supplement or Pricing Supplement and as permitted under the Securities Act and other applicable securities laws. Investors may be required to bear the financial risks of an investment in the Non-PD Debt Instruments for an indefinite period of time.



## SCHEDULE A – TERMS AND CONDITIONS OF THE NON-PD DEBT INSTRUMENTS

*The following (save for the italicised text) is a composite text of the terms and conditions which (subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement) will be applicable to each Series of Debt Instruments. The terms of the Agency Agreement (as defined below) and the Master Deed of Covenant dated 16 September 2009 ("**Master Deed of Covenant**") will apply to each Series of Debt Instruments unless the provisions of the relevant Pricing Supplement provides otherwise.*

*References in the terms and conditions to "Issuer" are, unless the contrary intention appears, references to the Issuer specified in the relevant Pricing Supplement. References in the terms and conditions to "Debt Instruments" are, unless the contrary intention appears, to the Debt Instruments of one Series of the type specified in the relevant Pricing Supplement only, not to all Debt Instruments which may be issued under the Programme. Terms used in the relevant Pricing Supplement will, unless the contrary intention appears, have the same meaning where used in the terms and conditions.*

*Macquarie Group Limited is not an authorised deposit-taking institution ("**ADI**") for the purposes of the Banking Act 1959 of Australia, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Group Limited.*

*The following seven paragraphs apply to Debt Instruments, which are specified in the relevant Pricing Supplement as being issued with the benefit of both the Agency Agreement and the Master Deed of Covenant.*

The Debt Instruments are issued with the benefit (to the extent applicable) of an amended and restated agency agreement (as amended, restated or supplemented from time to time) ("**Agency Agreement**") dated on or about 7 July 2011 between Macquarie Group Limited ("**Issuer**" or "**MGL**") and Deutsche Bank AG, London Branch in its capacity as an issuing and paying agent ("**I&P Agent**" and "**Paying Agent**", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such) and Deutsche Bank AG, Hong Kong Branch as CMU lodging agent ("**CMU Lodging Agent**", which expression shall include any successor to Deutsche Bank AG, Hong Kong Branch in its capacity as such).

The expression "**Agents**" shall include each I&P Agent, CMU Lodging Agent and any transfer agent ("**Transfer Agent**"), and any registrar ("**Registrar**") and any other paying agents subsequently appointed ("**Paying Agents**"), successors thereto in such capacity and any additional or substitute agents appointed to MGL's Debt Instrument Programme ("**Programme**") from time to time. The Debt Instrument Holders (as defined in Condition 2.3 below, which expression includes, unless the contrary intention appears, the holders of the coupons ("**Coupons**") (if any) appertaining to interest-bearing Debt Instruments in bearer form ("**Couponholders**") and the holders of talons ("**Talons**") (if any) for further coupons attached to such Debt Instruments ("**Talonholders**")) are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

The Pricing Supplement for this Debt Instrument is attached to this Debt Instrument or endorsed on this Debt Instrument, specifies the Issuer and the type of Debt Instrument and supplements these terms and conditions ("**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Debt Instrument. References in these Conditions to the "**relevant Pricing Supplement**" are to the Pricing Supplement setting out the final terms of this Debt Instrument which is attached to, endorsed on, or otherwise applicable to this Debt Instrument.

As used in these Conditions, "**Series**" means each original issue of Debt Instruments together with any further issues expressed to form a single Series with the original issue and the terms of which (save for the issue or deposit date ("**Issue Date**")), the date from which interest accrues ("**Interest Commencement Date**"), the issue price of the Debt Instruments ("**Issue Price**") and the amount of the first interest payment (if any) (as specified in the relevant Pricing Supplement) are identical (including whether or not the Debt Instruments are listed). However, the Pricing Supplement for this Debt Instrument may provide that a particular Tranche will not become fungible with Debt Instruments of another Tranche or Tranches forming part of the same Series until the time specified in the Pricing Supplement. As used in these Conditions, "**Tranche**" means all Debt Instruments of the same Series with the same Issue Date and Interest Commencement Date.

For the purposes of these Conditions (other than in relation to the determination of interest and other amounts payable in respect of the Debt Instruments) a reference to the I&P Agent shall, with respect to Debt Instruments held through the Central Moneymarkets Unit Service ("**CMU Service**"), be deemed to be a reference to the CMU Lodging Agent, and all such references shall be construed accordingly.

All references in these Conditions to Debt Instruments, Coupons and Talons must be read and construed as references to the Debt Instruments, Coupons and Talons of a particular Series.

Words and expressions defined in the Agency Agreement or used in the relevant Pricing Supplement shall have the same meanings where used in these Conditions unless the contrary intention appears.

Copies of the Agency Agreement and the Pricing Supplement applicable to this Debt Instrument are obtainable from and, available for inspection during normal business hours at, the specified office of each I&P Agent and the other Paying Agents. The Debt Instrument Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Pricing Supplement which are applicable to them.

## **1 Form and Denomination**

### **1.1 General**

References in these Conditions to "Debt Instruments" are references to the type of Debt Instrument specified in the relevant Pricing Supplement. For the avoidance of doubt, where certain Conditions are expressed to only apply to certain types of Debt Instrument, such Conditions only apply to that type of Debt Instrument as specified in the relevant Pricing Supplement and do not apply to other types of Debt Instrument.

Debt Instruments are issued in bearer form ("**Bearer Debt Instruments**") and/or in registered form ("**Registered Debt Instruments**"), as specified in the relevant Pricing Supplement. In these Conditions and unless the contrary intention appears, references to "**Debt Instruments**" are to Bearer Debt Instruments and Registered Debt Instruments.

*Prior to the issue of any Registered Debt Instruments (as defined below), the Issuer will appoint a Registrar.*

### **1.2 Type of Debt Instruments**

Each Debt Instrument may be a Fixed Rate Debt Instrument, a Floating Rate Debt Instrument, a Zero Coupon Debt Instrument, an Indexed Interest Debt Instrument, an Indexed Redemption Amount Debt Instrument ("**Indexed Redemption Amount Debt Instrument**") or a Partly Paid Debt Instrument or a combination of any of the foregoing, as specified in the relevant Pricing Supplement.

### **1.3 Form of Bearer Debt Instruments**

Unless otherwise specified in the relevant Pricing Supplement, interest-bearing Bearer Debt Instruments in definitive form will be serially numbered and issued with Coupons (and where appropriate, a Talon) attached, other than in the case of Debt Instruments which do not carry an entitlement to periodic payment of interest prior to the redemption date of such Debt Instruments and which are issued at a discount to their face value ("**Zero Coupon Debt Instruments**") (in which case references to interest (other than in relation to interest due after the redemption date), Coupons and Talons in these Conditions are not applicable). On or after the date on which all the Coupons attached to, or issued in respect of, any Bearer Debt Instrument which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation of the relevant Talon at the specified office of any Agent in accordance with Condition 7.1.6.

## 1.4 Form of Registered Debt Instruments

Registered Debt Instruments are constituted by the Deed of Covenant specified in the relevant Pricing Supplement. Copies of the Deed of Covenant are available for inspection at the office of the Registrar. Debt Instrument Holders of such Registered Debt Instruments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed of Covenant.

Unless otherwise specified in the relevant Pricing Supplement, where Debt Instruments are issued in registered form, no certificate or other evidence of title will be issued unless the Issuer determines that certificates should be available or the Issuer is required to do so pursuant to any applicable law or regulation. Each certificate represents a holding of one or more such Debt Instruments by the same Debt Instrument Holder.

## 1.5 Denomination

Debt Instruments will be in the denomination or denominations specified in the relevant Pricing Supplement or integral multiples thereof ("**Specified Denomination**"). Bearer Debt Instruments of one denomination may not be exchanged for Bearer Debt Instruments of another denomination.

## 1.6 Currency of Debt Instruments

Subject to compliance with all applicable legal and/or regulatory requirements, Debt Instruments may be denominated in the lawful currency of the Commonwealth of Australia ("**Australian Dollars**" or "**A\$**"), the lawful currency of the United States of America ("**U.S. Dollars**" or "**U.S.\$**"), the lawful currency of Japan ("**Yen**"), the lawful currency of the United Kingdom ("**Sterling**"), the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union ("**Euro**"), the lawful currency of the People's Republic of China ("**Renminbi**" or "**RMB**") or in any other currency or currencies specified in the relevant Pricing Supplement ("**Specified Currency**").

## 2 Title

### 2.1 Title to Bearer Debt Instruments, Coupons and Talons

Title to Bearer Debt Instruments, Coupons and Talons passes by delivery.

### 2.2 Title to Registered Debt Instruments

Title to Registered Debt Instruments passes by registration in the register ("**Register**") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.

### 2.3 Title - general

In these Conditions, subject as provided below, "**Debt Instrument Holder**" means:

- (a) (in relation to a Debt Instrument, Coupon or Talon) the bearer of any Bearer Debt Instrument, Coupon or Talon (as the case may be); or
- (b) the person in whose name a Registered Debt Instrument is registered, as the case may be.

A Debt Instrument Holder will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Debt Instrument, a duly executed transfer of such Debt Instrument) and no person will be liable for so treating the Debt Instrument Holder.

### **3 Exchanges of Bearer Debt Instruments for Registered Debt Instruments and transfers of Registered Debt Instruments**

#### **3.1 Exchange of Bearer Debt Instruments**

Subject to Condition 3.6, Bearer Debt Instruments may, if so specified in the relevant Pricing Supplement, be exchanged for the same aggregate principal amount of Registered Debt Instruments at the request in writing of the relevant Debt Instrument Holders and upon surrender of the Bearer Debt Instrument to be exchanged together with all unmatured Coupons and Talons relating to it (if any) at the specified office of the Registrar or the specified office of the Transfer Agent. Without limiting the previous sentence, the relevant Pricing Supplement may specify that Bearer Debt Instruments may be exchanged for Registered Debt Instruments only with the prior written approval of the Issuer or such other or additional persons as are specified in such Pricing Supplement. Where, however, a Bearer Debt Instrument is surrendered for exchange after the Record Date (as defined in Condition 7.2.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Debt Instruments may not be exchanged for Bearer Debt Instruments.

#### **3.2 Transfer of Registered Debt Instruments**

A Registered Debt Instrument may be transferred in whole but not in part upon the surrender of the relevant certificate by which such Registered Debt Instrument is represented (if the Debt Instrument is certificated), together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or the specified office of the Transfer Agent. In the case of a certificated Debt Instrument, a new certificate will be issued to the transferee and in the case of a transfer of a Registered Debt Instrument which forms part only of a holding represented by a certificate, a new certificate in respect of the balance not transferred will be issued to the transferor.

Bearer Debt Instruments will not be exchanged for Registered Debt Instruments nor will Registered Debt Instruments be transferred if the exchangee or transferee is an Australian resident, or a non-Australian resident that holds the Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and fails to provide a tax file number ("TFN"), Australian Business Number ("ABN"), or evidence that the exchangee or transferee (as the case may be) is not required to provide a TFN or ABN.

*The forms of exchange and transfer will require the exchangee or transferee (as the case may be) to certify whether or not such person is an Australian resident, or a non-Australian resident that holds the Debt Instruments in carrying on business in Australia at or through a permanent establishment of the exchangee or transferee in Australia and, if so, to provide a TFN or ABN or evidence that such person is not required to provide a TFN or ABN.*

#### **3.3 Partial redemption or exercise of options in respect of Registered Debt Instruments**

In the case of a partial redemption of a holding of Registered Debt Instruments represented by a single certificate or a partial exercise of the Issuer's or Debt Instrument Holders' option to redeem in respect of a holding of Registered Debt Instruments represented by a single certificate, a new certificate will be issued to the Debt Instrument Holder in respect of the balance of the holding not redeemed or in respect of which the relevant option has not been exercised. In the case of a partial exercise of an option resulting in Registered Debt Instruments of the same holding having different terms, separate certificates shall be issued in respect of those Debt Instruments of that holding that have the same terms. New certificates shall only be issued against surrender of the existing certificates to the Registrar or the Transfer Agent.

#### **3.4 Delivery of new certificates representing Registered Debt Instruments**

In the case of certificated Registered Debt Instruments, each new certificate to be issued upon exchange of Bearer Debt Instruments or transfer of Registered Debt Instruments will, within three Business Days (in the place of the specified office of the Registrar and the specified office of the Transfer Agent) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Registrar and the specified office of the Transfer Agent, or be mailed at the risk of the Debt Instrument

Holder entitled to the Registered Debt Instrument, to such address as may be specified in such request or form of transfer.

### 3.5 Exchange free of charge

Registration of Debt Instruments on exchange of Bearer Debt Instruments for Registered Debt Instruments or transfer of Registered Debt Instruments will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent (other than any insurance charges or any expenses of delivery (if applicable) by other than regular mail), but upon payment of (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

### 3.6 Closed periods

No Debt Instrument Holder may require the transfer of a Registered Debt Instrument to be registered or a Bearer Debt Instrument to be exchanged for a Registered Debt Instrument:

- (a) during the period of 15 days ending on the due date for any payment of principal or redemption amount on that Debt Instrument;
- (b) during the period of 15 days before any drawing of Debt Instruments for redemption under Condition 6.2; or
- (c) after any such Debt Instrument has been drawn for redemption in whole or in part.

## 4 Status and Negative Pledge

### 4.1 Status

The Debt Instruments and Coupons are direct and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. Debt Instruments of a Series may be either:

- (a) subordinated ("**Subordinated Debt Instruments**"); or
- (b) unsubordinated ("**Unsubordinated Debt Instruments**").

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

### 4.2 Status of Subordinated Debt Instruments

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 4.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 4.2 will be set out in the relevant Pricing Supplement.*

- (a) Subordinated Debt Instruments and Coupons rank *pari passu* with all other unsecured Subordinated Indebtedness (as defined in paragraph (c) below) of the Issuer, except liabilities mandatorily preferred by law.
- (b) The rights and claims of the Debt Instrument Holders are, in a Winding-Up (as defined in paragraph (c) below) of the Issuer, subordinated to the claims of Senior Creditors (as defined in paragraph (c) below) of the Issuer and prior to the commencement of a Winding-Up of the Issuer:
  - (i) the obligations of the Issuer to make payments of the principal, redemption amount, interest or other amounts in respect of the Subordinated Debt Instruments and all other

amounts owing in relation to the Subordinated Debt Instruments shall be conditional upon the Issuer being solvent at the time the payments and other amounts owing fall due; and

- (ii) no payment of principal, redemption amount, interest or any other amount shall be made in respect of the Subordinated Debt Instruments, except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

For the purposes of this paragraph, the Issuer shall be considered solvent if:

- (A) it is able to pay its debts as they fall due; and
- (B) its Assets (as defined in paragraph (c) below) exceed its Liabilities (as defined in paragraph (c) below).

A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer or, if the Issuer is being wound up, its liquidator, shall be prima facie evidence of the information contained in that certificate. In the absence of such a certificate, a Debt Instrument Holder shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment aforesaid be solvent.

For the avoidance of any doubt, any amount not paid as a consequence of this Condition 4.2(b) accumulates without compounding and remains a debt owing to the Debt Instrument Holder by the Issuer until it is paid and shall be payable on the first date on which sub-paragraphs (i) and (ii) of this Condition 4(b) would not apply (whether or not such date is otherwise a payment date).

*The obligation of the Issuer prior to the commencement of a Winding-Up of the Issuer to make payments when due in respect of the Subordinated Debt Instruments is conditional upon the Issuer being solvent immediately before and after payment by the Issuer.*

- (c) For the purposes of this Condition 4.2, the following terms shall have the following meanings:

**“Assets”** means the total consolidated gross assets of the Issuer as shown by the latest published audited accounts of the Issuer but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditors to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;

**“Liabilities”** means the total consolidated gross liabilities of the Issuer as shown by its latest published audited accounts but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditors to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;

**“Senior Creditors”** means all the creditors (present and future) including depositors of the Issuer:

- (i) whose claims are admitted in the Winding-Up of the Issuer; and
- (ii) who are not the holders of indebtedness, the right to repayment of which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims by all unsubordinated creditors of the Issuer.

**“Subordinated Indebtedness”** means any indebtedness (present and future) of the Issuer which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims of its Senior Creditors; and

**“Winding-Up”** means any procedure whereby the Issuer may be wound-up, dissolved, liquidated or cease to exist as a body corporate whether brought or instigated by a Debt Instrument Holder or any other person, but excludes any Winding-Up which results in there being a successor to the Issuer and the obligations under the Subordinated Debt Instruments are assumed by that successor.

- (d) On the Winding-Up of the Issuer the rights of the Debt Instrument Holders against the Issuer to recover any sums payable in respect of such Subordinated Debt Instruments:
  - (i) shall be subordinate and junior in right of payment to the obligations of the Issuer to Senior Creditors, to the intent that all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Debt Instruments; and
  - (ii) shall rank *pari passu* and rateably (as to its due proportion only) with other subordinated creditors of the Issuer in respect of Subordinated Indebtedness.
- (e) On a Winding-Up of the Issuer, Debt Instrument Holders shall only be entitled to prove for any sums payable in respect of the Subordinated Debt Instruments as a debt which is subject to and contingent upon prior payment in full of, the Senior Creditors. The Debt Instrument Holders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.
- (f) No Debt Instrument Holder shall be entitled to set-off against any amounts due in respect of the Subordinated Debt Instruments held by such Debt Instrument Holder any amount held by the Debt Instrument Holder to the credit of the Issuer whether in any account, in cash or otherwise, nor any deposits with, advances to or debts of the Issuer, nor any other amount owing by the Debt Instrument Holder to the Issuer on any account whatsoever, nor shall any Debt Instrument Holder be entitled to effect any reduction of the amount due to such Debt Instrument Holder in respect of a Subordinated Debt Instrument by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Subordinated Debt Instrument in breach of these Conditions.
- (g) The Issuer does not have any right to set-off against any amounts owing to it by a Debt Instrument Holder on any account against any amount owing by the Issuer to that Debt Instrument Holder in respect of any Debt Instrument.
- (h) Any payment whether voluntary or in any other circumstances received by a Debt Instrument Holder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this Condition or Condition 9.3, will be held by the relevant Debt Instrument Holder in trust for and to the order of the Senior Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the Subordinated Debt Instruments.

### 4.3 Status of Unsubordinated Debt Instruments

*MGL is not an ADI for the purposes of the Banking Act, and its obligations do not represent deposits or other liabilities of its subsidiary, Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MGL.*

Unsubordinated Debt Instruments rank at least equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law.

### 4.4 Negative Pledge

So long as any of the Unsubordinated Debt Instruments remains outstanding, the Issuer will not, unless approved by an Extraordinary Resolution, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security Interest**") upon the whole or any part of its present or future assets or revenues or those of any of its Subsidiaries (as defined below) as security for any relevant indebtedness (as defined below) or any guarantee or indemnity ("**Guarantee**") given in respect of any relevant indebtedness unless prior to or simultaneously therewith, the Issuer either:

- (a) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Unsubordinated Debt Instruments and the relative Coupons which will result in such obligations being secured equally and rateably in all respects so as to rank *pari passu* with the applicable relevant indebtedness or Guarantee; or
- (b) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Unsubordinated Debt Instruments and the relative Coupons as shall be approved by an Extraordinary Resolution.

For the purposes of these Conditions, “**relevant indebtedness**” means any present or future indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures, loan stock, certificates of deposit, bills of exchange, transferable loan certificates or other securities which are capable of being listed, quoted, ordinarily dealt in or traded on any recognised market, not being indebtedness incurred in the ordinary course of banking business.

In these Conditions, “**Subsidiary**” has the same meaning as that provided in Section 9 of the Corporations Act 2001 of Australia (as amended) (“**Corporations Act**”).

## 5 Interest

### 5.1 General

Debt Instruments may be either interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing Debt Instruments may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of Debt Instruments, the relevant Pricing Supplement may specify actual amounts of interest payable (“**Interest Amounts**”) rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing Debt Instruments will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the Debt Instruments. Condition 5.5 will be applicable to each Tranche of interest-bearing Debt Instruments save to the extent of any inconsistency with the relevant Pricing Supplement.

### 5.2 Interest - fixed rate

Each Debt Instrument in relation to which this Condition 5.2 is specified in the relevant Pricing Supplement as being applicable (“**Fixed Rate Debt Instruments**”) will bear interest on its nominal amount (or, if it is a Partly Paid Debt Instrument, the amount paid up) at the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date or such other date as is specified in the relevant Pricing Supplement as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date (as defined in Condition 5.5(a)) as determined in accordance with the business day convention specified in the relevant Pricing Supplement (“**Business Day Convention**”).

Interest which is required to be calculated for a period of other than a full year will be calculated on the basis of a year of 360 days and 12 months of 30 days each or on such other basis as may be specified as the Day Count Fraction in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount.

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

“**Interest Payment Date**”, “**Initial Broken Amount**” and “**Final Broken Amount**” have the meaning given to them in the Pricing Supplement.



### 5.3 Interest - floating rate and indexed rate

#### (a) *Accrual of interest*

Debt Instruments in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate Debt Instruments**” or “**Indexed Interest Debt Instruments**” as the case may be,) will bear interest in respect of each Interest Period (as defined in Condition 5.5(a)) at the rate or rates per annum specified in the relevant Pricing Supplement determined in accordance with this Condition 5.3.

Each Floating Rate Debt Instrument and Indexed Interest Debt Instrument will bear interest on its nominal amount (or, if it is a Partly Paid Debt Instrument, the amount paid up) at the Interest Rate (as defined below) from the Issue Date of the Debt Instruments or such other date as is specified in the relevant Pricing Supplement as being the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate Debt Instrument would otherwise fall on a day which is not a Business Day (as defined in Condition 5.7), such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement.

#### (b) *Interest Rate*

The rate of interest payable in respect of Floating Rate Debt Instruments (“**Interest Rate**”) shall be determined by the Calculation Agent (as defined in Condition 5.7) on the basis of (i) or (ii) below, as specified in the relevant Pricing Supplement.

##### (i) *ISDA Determination for Floating Rate*

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the relevant Pricing Supplement) the margin (if any) specified in the relevant Pricing Supplement (“**Margin**”). For the purposes of this sub-paragraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent for the Debt Instruments under an interest rate Swap Transaction if the Calculation Agent for the Debt Instruments were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (C) the relevant Reset Date is either:
  - (aa) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period; or
  - (bb) in any other case, as specified in the relevant Pricing Supplement; and
- (D) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction.

For the purposes of this sub-paragraph (i), “**Swap Transaction**”, “**Floating Rate**”, “**Calculation Agent**” (except references to “**Calculation Agent for the Debt Instruments**”), “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Period End Date**”, “**Spread**” and “**Floating Rate Day Count Fraction**” have the meanings given to those terms in the 2006 ISDA Definitions as amended and updated in the case of each Series as at the

Issue Date of the first Tranche of the relevant Debt Instruments, published by the International Swaps and Derivatives Association, Inc. (“ISDA Definitions”). “Euro-zone” means the region comprised of member states of the European Union that adopt a single currency in accordance with the Treaty on European Union.

(ii) *Screen Rate Determination for Floating Rate Debt Instruments*

Where the Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR or 11.00 a.m. (Brussels time) in the case of EURIBOR or such other time as is specified in the relevant Pricing Supplement (“**Relevant Time**”) on the Interest Determination Date in question plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (a) If (A) applies and no offered quotation appears on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date or if (B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.
- (b) If paragraph (a) above applies and the Calculation Agent determines that fewer than two Reference Banks are making offered quotations for the Reference Rate in respect of the Specified Currency, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro or Renminbi, in such financial centre(s) as is/are specified in the relevant Pricing Supplement, in each case as selected by the Calculation Agent (“**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the first day of the Interest Period to which the relevant Interest Determination Date relates for a period equivalent to the relevant Interest Period (x) to leading banks carrying on business in Europe, or (if the relevant currency is not Euro and the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre.

For the purposes of this sub-paragraph (ii), “**Reference Rate**”, “**Relevant Screen Page**” and “**Interest Determination Date**” have the meanings given to them in the relevant Pricing Supplement.

(iii) *Bank Bill Rate Determination*

If Bank Bill Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Debt Instruments for each Interest Period is the sum of the Margin (if any) and the Bank Bill Rate.

In this Condition:

- (A) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the “BBSW” page of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time; and

- (B) **Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

(iv) *Minimum and/or Maximum Interest Rate*

If the relevant Pricing Supplement specifies a Minimum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the Pricing Supplement specifies a Maximum Interest Rate for any Interest Period then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

(v) *Fallback Interest Rate*

Unless otherwise specified in the relevant Pricing Supplement, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions, the Interest Rate applicable to the Debt Instruments during the relevant Interest Period will be the Interest Rate applicable to the Debt Instruments during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

(vi) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded

to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the principal amount of each denomination of such Debt Instruments. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the outstanding principal amount (or, in the case of a Partly Paid Debt Instrument, the amount paid up) by the applicable Day Count Fraction and rounding the resultant figure to the nearest unit of the currency in which the relevant Debt Instruments are denominated or, as the case may be, in which such interest is payable (an amount equal to or above one half of any such unit being rounded upwards).

#### 5.4 Interest - other rates

Debt Instruments in relation to which this Condition 5.4 is specified in the relevant Pricing Supplement as being applicable, will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

#### 5.5 Interest - supplemental provisions

(a) *Interest Payment Dates and Interest Periods*

Interest on each Debt Instrument will be payable in arrear at such intervals and on such dates as are specified in the relevant Pricing Supplement and at the Maturity Date of such Debt Instrument (each an “**Interest Payment Date**”). The period beginning on (and including) the Issue Date of a Debt Instrument (or other date specified in the relevant Pricing Supplement as the Interest Commencement Date) and ending on (but excluding) the first Interest Payment Date, and each period thereafter from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date, is referred to in these Conditions as an “**Interest Period**”. Where Debt Instruments are listed on a stock exchange, the I&P Agent must notify the relevant listing authority of each Interest Period.

(b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer and, in the case of Bearer Debt Instruments, the I&P Agent or, in the case of Registered Debt Instruments, the Registrar, or where Debt Instruments are listed on a stock exchange, the relevant listing authority and to be notified to Debt Instrument Holders in accordance with Condition 18 as soon as practicable after such determination or calculation but in any event not later than the fourth Banking Day in the Relevant Financial Centre (as defined in Condition 5.7) thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, items and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Debt Instrument) shall, in the absence of manifest error, be final and binding on all parties.

(d) *Accrual of interest*

Interest shall accrue on the outstanding principal amount of each Debt Instrument or, in the case of a Partly Paid Debt Instrument, on the paid up principal amount of such Debt Instrument or as otherwise specified in the relevant Pricing Supplement. Interest will cease to accrue as from the due date for redemption of a Debt Instrument unless (except in the case of any payment where presentation and/or surrender of the relevant Debt Instrument is not required as a precondition of payment) upon due presentation and/or surrender of the relevant Debt Instrument, the relevant payment is not made in which case interest will continue to accrue thereon (as well after as well as before any demand or judgment) at the rate then applicable to the outstanding principal amount of the Debt Instruments or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which, upon (except in the case where presentation and/or surrender of the relevant Debt Instrument is not required as a precondition of payment) due presentation and/or surrender of the relevant Debt Instrument, the relevant payment is made or, if earlier (except in the case where presentation and/or surrender of the relevant Debt Instrument is not required as a precondition of payment), the seventh day after the date on which, the I&P Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice of that circumstance is given to the Debt Instrument Holder in accordance with Condition 18 (except to the extent that there is failure in the subsequent payment thereof to the relevant Debt Instrument Holder).

(e) *Partly Paid Debt Instruments*

In the case of Debt Instruments specified in the Pricing Supplement as Partly Paid Debt Instruments ("**Partly Paid Debt Instruments**") (other than Partly Paid Debt Instruments which are Zero Coupon Debt Instruments), interest will accrue as aforesaid on the paid-up nominal amount of such Debt Instruments and otherwise as specified in the relevant Pricing Supplement.

(f) *Business Day Convention*

If the Business Day Convention is specified in the relevant Pricing Supplement to be:

- (i) the Floating Rate Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event:
  - (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and
  - (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the relevant Pricing Supplement after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(g) *Day Count Fraction*

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “Actual/365” or “Actual/Actual” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if “30E/360” or “Eurobond basis” is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “Australian Bond Basis” is specified in the relevant Pricing Supplement, one divided by the number of Interest Payment Dates in a year; or

- (viii) if “Actual/Actual-ICMA” is specified in the relevant Pricing Supplement:

- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and
- (ii) if the Calculation Period is longer than one Determination Period, the sum of:
  - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year; and
  - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (ab) the number of Determination Periods normally ending in any year,

where:

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date.

**“Calculation Period”** means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last).

## 5.6 Zero Coupon Debt Instruments

If the amount due and payable in respect of a Zero Coupon Debt Instrument on the redemption date is not paid when due, the Interest Rate for any such overdue principal shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Pricing Supplement.

## 5.7 Definitions

In these Conditions unless the contrary intention appears or as otherwise specified in the relevant Pricing Supplement:

**“Additional Business Centre”** means any city specified as such in the relevant Pricing Supplement.

**“Banking Day”** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business.

**“Business Day”** means:

- (a) in the case of a Specified Currency other than Euro, U.S. Dollars or Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) the principal financial centre for that currency which, if the currency is Australian Dollars, shall be Sydney; and/or
- (b) in the case of U.S. Dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in New York City (unless otherwise agreed between the Issuer, each relevant Agent and Registrar); and/or
- (c) in the case of Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) London and a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer TARGET 2 System (**“TARGET 2”**) is operating; and/or
- (d) in the case of Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which (i) in the case of Debt Instruments lodged with the CMU Service, the CMU Service is operating, and (ii) commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong or such other principal financial centre as may be agreed from time to time by the Issuer and the relevant Dealer(s); and/or
- (e) in the case of a Specified Currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in (unless otherwise agreed between the Issuer and the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument) in the Additional Business Centre(s) or, if no currency is specified, generally in each of the Additional Business Centres so specified; and/or
- (f) if a Debt Instrument is to be issued or paid on such Business Day, a day on which each relevant Clearing System is operating.

**“Calculation Agent”** means Deutsche Bank AG, London Branch and any other person appointed as calculation agent by the Issuer.



“**Clearing System**” means Euroclear Bank S.A./N.V. (“**Euroclear**”), Clearstream Banking, société anonyme, the Central Moneymarkets Unit Service (“**CMU Service**”), Austraclear Limited (ABN 94 002 060 773), as operator of the Austraclear System (“**Austraclear**”) and/or any other clearing system specified in the relevant Pricing Supplement.

“**Reference Banks**” means the institutions specified as such in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate.

“**Relevant Financial Centre**” means the city specified as such in the relevant Pricing Supplement or, if none, the city most closely connected with the Reference Rate in the determination of the Calculation Agent.

“**Representative Amount**” means the amount so specified in the relevant Pricing Supplement or, if none, an amount that is representative for a single transaction in the relevant market at the relevant time.

## 6 Redemption and Purchase

### 6.1 Redemption

Unless previously redeemed or purchased and cancelled, each Debt Instrument will be redeemed on its Maturity Date as specified in the relevant Pricing Supplement at its maturity redemption amount (“**Maturity Redemption Amount**”) (which shall be its outstanding principal amount or such other Maturity Redemption Amount as may be specified in or determined in accordance with the relevant Pricing Supplement).

### 6.2 Redemption at the option of the Issuer

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.2 will be set out in the relevant Pricing Supplement.*

The Issuer may (if this Condition 6.2 is specified in the relevant Pricing Supplement as being applicable) having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to Debt Instrument Holders in accordance with Condition 18 (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement redeem all (but not, unless and to the extent that the relevant Pricing Supplement specify otherwise, some only) of the Debt Instruments on any Business Day (being, in the case of interest-bearing Debt Instruments (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount (call) (“**Early Redemption Amount (Call)**”) (which shall be their outstanding principal amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together (unless otherwise specified in the relevant Pricing Supplement) with accrued interest (if any) thereon.

The notice referred to in the preceding paragraph shall specify:

- (a) the Series of Debt Instruments subject to redemption;
- (b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Debt Instruments of the relevant Series which are to be redeemed;
- (c) the due date for redemption;
- (d) the Early Redemption Amount (Call) at which such Debt Instruments are to be redeemed; and
- (e) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as specified in the relevant Pricing Supplement.

In the case of a partial redemption of Debt Instruments, the Debt Instruments to be redeemed will be selected by the I&P Agent or in the case of a Tranche represented wholly by Registered Debt Instruments, the Registrar, and notice of the Debt Instruments called for redemption (together with the serial numbers thereof) will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption.

### 6.3 Redemption at the option of Debt Instrument Holders

The Issuer will (if this Condition 6.3 is specified in the relevant Pricing Supplement as being applicable), at the option of any Debt Instrument Holder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, redeem such Debt Instruments on any day (being, in the case of an interest-bearing Debt Instrument (unless otherwise specified in the relevant Pricing Supplement) one or more Interest Payment Dates) at its early redemption amount (put) ("**Early Redemption Amount (Put)**") (which shall be its outstanding principal amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with accrued interest (if any) thereon (unless otherwise specified in the relevant Pricing Supplement).

To exercise such option, the Debt Instrument Holder must complete, sign and deposit at the specified office of, in the case of a Bearer Debt Instrument, the I&P Agent or, in the case of a Registered Debt Instrument, the Registrar or the Transfer Agent, a redemption notice in the form obtainable from the I&P Agent or the Registrar or the Transfer Agent (as applicable) not less than 45 days before the redemption date (or such other period as may be specified in the relevant Pricing Supplement), deposit the relevant Debt Instrument (together, in the case of an interest-bearing Bearer Debt Instrument, with any unmatured Coupons and unexchanged Talons appertaining thereto and, in the case of a Registered Debt Instrument the relevant Certificate (if certificated)) with, in the case of a Bearer Debt Instrument, the I&P Agent or, in the case of a Registered Debt Instrument, the Registrar or the Transfer Agent.

### 6.4 Redemption for taxation reasons

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.4 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.4 will be set out in the relevant Pricing Supplement.*

If, in respect of the Debt Instruments of any Series the Issuer, on the occasion of the next payment due in respect of the Debt Instruments, would be required to pay any Additional Amounts referred to in Condition 8, then the Issuer (in the case of Subordinated Debt Instruments, subject to the prior written approval of APRA having been obtained) may at its option give not more than 60 nor less than 30 days' notice to each Agent and to the Debt Instrument Holders in accordance with Condition 18, and upon expiry of such notice shall redeem all but not some only of the Debt Instruments at their early redemption amount (tax) ("**Early Redemption Amount (Tax)**") (which shall be their outstanding principal amount or such other Early Redemption Amount (Tax) as is specified in the relevant Pricing Supplement) together (unless otherwise specified in the Pricing Supplement with accrued interest (if any) accrued to the due date for redemption).

Prior to publication of any such notice of redemption, the Issuer shall deliver to the I&P Agent a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to make any such withholding or deduction.

Such notice shall be given promptly upon the occurrence of any of the above events.

### 6.5 Redemption of Subordinated Debt Instruments for loss of deductibility reasons

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the*

*Banking Act, the terms of this Condition 6.5 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.5 will be set out in the relevant Pricing Supplement.*

If, prior to the earliest date on which the Issuer is entitled to redeem some or all of the Subordinated Debt Instruments in accordance with Condition 6.2, the Issuer determines (supported by an opinion, as to such determination, from tax advisers of recognised standing in Australia) that interest payable on the Subordinated Debt Instruments is not or may not be allowed as a deduction for the purposes of Australian income tax, then the Issuer (subject to the prior written approval of APRA having been obtained) may give not more than 60 nor less than 30 days' notice to the relevant Agent and the Subordinated Debt Instrument Holders in accordance with Condition 18, and upon the next Interest Payment Date following expiry of such notice shall redeem all (but not some only) of the Subordinated Debt Instruments at their outstanding principal amount (plus accrued interest, if any).

The notice referred to above shall specify the Subordinated Debt Instruments subject to redemption and the due date for redemption.

## **6.6 Redemption of Subordinated Debt Instruments for regulatory reasons**

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 6.6 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 6.6 will be set out in the relevant Pricing Supplement.*

If, prior to the earliest date on which the Issuer is entitled to redeem some or all of the Subordinated Debt Instruments in accordance with Condition 6.2, the Issuer determines (supported by an opinion from legal advisers of recognised standing in Australia) that the Subordinated Debt Instruments have ceased, or will cease, to qualify as eligible capital under the standards and guidelines published by APRA, then the Issuer (subject to the prior written approval of APRA having been obtained) may give not more than 60 nor less than 30 days' notice to the relevant Agent and the Subordinated Debt Instrument Holders in accordance with Condition 18, and upon the next Interest Payment Date following expiry of such notice shall redeem all (but not some only) of the Subordinated Debt Instruments at their outstanding principal amount (plus accrued interest, if any) unless otherwise specified in the relevant Pricing Supplement.

The notice referred to above shall specify the Subordinated Debt Instruments subject to redemption and the due date for redemption.

## **6.7 Purchases**

*MGL may only purchase Subordinated Debt Instruments which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act and issued by it in accordance with this Condition 6.7 with the prior written approval of APRA having been obtained, unless those Subordinated Debt Instruments are immediately on-sold to an unrelated third party (or a related party acting as custodian or funds manager for one or more unrelated parties or as the responsible entity of a managed investment scheme (as defined in the Corporations Act), in which case the approval of APRA is not required.*

The Issuer or any of its Related Entities may at any time purchase Debt Instruments, Coupons or Talons (provided that, in the case of interest-bearing Bearer Debt Instruments, all unmatured Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) at any price in the open market or otherwise. If the Issuer proposes to purchase Debt Instruments by tender, such tender will be made available equally to all Debt Instrument Holders. Such Debt Instruments may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. In this Condition 6.7, "Related Entities" has the meaning given to that term in the Corporations Act.

## 6.8 Cancellation

All Debt Instruments redeemed or purchased for cancellation by or on behalf of the Issuer, will forthwith be surrendered for cancellation to any Paying Agent (in the case of Bearer Debt Instruments) or the Registrar or the Transfer Agent (in the case of Registered Debt Instruments which are certificated) and must be surrendered together with, in the case of interest-bearing Bearer Debt Instruments, all unmatured Coupons and unexchanged Talons and accordingly may not be reissued or resold. All such Debt Instruments will be cancelled forthwith (together with all such Coupons and Talons) and the Issuer's obligations in respect of such Debt Instruments shall be discharged upon such cancellation.

## 6.9 Zero Coupon Debt Instruments

In the case of Zero Coupon Debt Instruments (unless otherwise specified in the relevant Pricing Supplement), the Early Redemption Amount will be an amount ("**Amortised Face Amount**") equal to the sum of:

- (a) the Reference Price (as defined in the relevant Pricing Supplement); and
- (b) the product of the Accrual Yield (as defined in the relevant Pricing Supplement) (compounded annually unless otherwise specified in the relevant Pricing Supplement) being applied to the Reference Price (as defined in the relevant Pricing Supplement) from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Debt Instrument becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or such other calculation basis as may be specified in the relevant Pricing Supplement.

## 7 Payments

### 7.1 Payments - Bearer Debt Instruments

#### 7.1.1 *Payment of amounts other than interest*

Payment of amounts (other than interest) due in respect of Bearer Debt Instruments (other than definitive Bearer Debt Instruments held through the CMU Service ("**CMU Debt Instruments**")) will be made against presentation and surrender of the Debt Instrument, at the specified office of any Paying Agent.

#### 7.1.2 *Payment of amounts in respect of interest on Bearer Debt Instruments*

Payment of amounts due in respect of interest on Bearer Debt Instruments (other than CMU Debt Instruments) will be made:

- (a) in the case of a Debt Instrument without Coupons attached thereto at the time of its initial delivery, against presentation of the relevant Debt Instrument at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States; and
- (b) in the case of a Debt Instrument delivered with Coupons attached thereto at the time of its initial delivery, against presentation and surrender of the relevant Coupon or, in the case of interest due otherwise than on a scheduled Interest Payment Date, against presentation of the relevant Bearer Debt Instrument, in either case at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States.

#### 7.1.3 *Payment of amounts in respect of CMU Debt Instruments*

In the case of CMU Debt Instruments, payment will be made to the person for whose account interests in the relevant definitive Bearer Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU

Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### 7.1.4 *Payment at specified office in the United States*

Except as provided below, payment of amounts due in respect of interest on Bearer Debt Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 7.1.5 will not be made at any specified office of any Paying Agent in the United States. Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Debt Instrument is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of this Debt Instrument will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the Debt Instruments in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

If paragraphs (a) and (b) apply, the Issuer shall forthwith appoint a Paying Agent with a specified office in New York City.

#### 7.1.5 *Unmatured Coupons and unexchanged Talons*

Each Bearer Debt Instrument initially delivered with Coupons attached thereto should be presented and surrendered for final redemption together with all unexpired Coupons and Talons appertaining thereto (if any), failing which:

- (a) in the case of Bearer Debt Instruments which are Fixed Rate Debt Instruments (and unless otherwise specified in the relevant Pricing Supplement), the amount of any missing unexpired Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing unexpired Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) will be deducted from the amount otherwise payable on such final redemption. The amount so deducted will be paid against surrender of the relevant Coupon at the specified office of the I&P Agent at any time within five years of the Relevant Date applicable to payment of such final redemption amount. The “**Relevant Date**” is the earlier of:
  - (i) the date on which all amounts due in respect of the Debt Instrument have been paid; and
  - (ii) the date on which the full amount of the moneys payable has been received by the I&P Agent, in the case of a Bearer Debt Instrument, or the Registrar, in the case of a Registered Debt Instrument, and notice to that effect has been given to the Debt Instrument Holders in accordance with Condition 18;
- (b) in the case of Bearer Debt Instruments which are Floating Rate Debt Instruments, Indexed Interest Amount Debt Instruments or Indexed Redemption Amount Debt Instruments, (or otherwise where specified in the relevant Pricing Supplement), all unexpired Coupons (excluding, for this purpose, but without prejudice to paragraph (c) below, Talons) relating to such Bearer Debt Instruments

(whether or not attached) shall become void and no payment shall be made thereafter in respect of them;

- (c) in the case of Bearer Debt Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (d) in the case of Bearer Debt Instruments which bear interest at a floating rate or rates, or where such a Bearer Debt Instrument is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

The provisions of paragraph (a) of this Condition 7.1.5 notwithstanding, if any Bearer Debt Instruments are issued with a Maturity Date and a fixed rate or fixed rates of interest such that on the presentation for payment of any such Bearer Debt Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (a) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Bearer Debt Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (a) in respect of such Coupons as have not so become void, the amount required by paragraph (a) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Bearer Debt Instrument to become void, the I&P Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

#### **7.1.6**    *Exchange of Talons*

In relation to Bearer Debt Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 7.1.4 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

#### **7.1.7**    *United States*

For the purpose of these Conditions, the “United States” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

#### **7.1.8**    *Payment Business Day*

If the due date for payment of an amount in respect of a Bearer Debt Instrument is not a Payment Business Day (as defined in Condition 7.4), then the Debt Instrument Holder will not be entitled to payment of such amount until the next day which is a Payment Business Day (as defined in Condition 7.4) and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 5.5(d).

### **7.2**    **Payments - Registered Debt Instruments**

#### **7.2.1**    *Payment of principal in respect of Registered Debt Instruments*

Payment of principal (which for this purpose shall include any final redemption amount) due in respect of Registered Debt Instruments will be made to the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in

the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (eighth, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment and (if in certificated form) against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Certificate at the specified office of the Registrar or the specified office of the Transfer Agent.

#### *7.2.2 Payment of interest in respect of Registered Debt Instruments*

Payment of interest due in respect of Registered Debt Instruments will be paid to the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first named) as appearing in the Register as at opening of business (local time in the place of the specified office of the Registrar or the specified office of the Transfer Agent) on the fifteenth (seventh, if the specified office of the Registrar or the specified office of the Transfer Agent is located in Sydney or Melbourne) Relevant Banking Day before the due date for such payment ("**Record Date**").

"**Relevant Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar and the specified office of the Transfer Agent is located.

#### *7.2.3 Payment in respect of Registered Debt Instruments held through the CMU Service*

In the case of Registered Debt Instruments held through the CMU Service, payment will be made to the person for whose account interests in the relevant Registered Debt Instrument are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Debt Instrument credited to its account (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

#### *7.2.4 Manner of payments pursuant to Condition 7.2.2*

Notwithstanding the provisions of Condition 7.4, payments in respect of Registered Debt Instruments pursuant to Condition 7.2.2 will be made by cheque and posted to the address (as recorded in the Register) of the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first-named) on the relevant due date for payment unless prior to the relevant Record Date the Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

### **7.3 Payment due on a non-Payment Business Day**

If the due date for payment of the final redemption amount or interest due in respect of any Registered Debt Instrument is not a Payment Business Day (as defined in Condition 7.4), then the Debt Instrument Holder of such Registered Debt Instrument will not be entitled to payment thereof until the next day which is a Payment Business Day and no further payment on account of principal or interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in Condition 5.5(d).

### **7.4 Payments - general provisions**

Subject to Condition 7.2.4, payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Debt Instruments will be made as follows:

- (a) payments in a Specified Currency other than Euro or Renminbi will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque

in such Specified Currency drawn on, a bank (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency, provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States;

- (b) payments in Renminbi will be made by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and procedures of the CMU Service or when the Debt Instruments are in definitive form, transfer to the Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations; and
- (c) payments in respect of definitive Debt Instruments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or at the option of the payee, by a Euro cheque.

Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws, regulations and directives and the administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Debt Instruments. In particular, if any withholding or deduction is required under the Foreign Account Taxation Compliance Act provisions, sections 1471 through to 1474 of the US Internal Revenue Code (including any regulations or official interpretations issued, agreements entered into or any law implementing an international intergovernmental approach with respect thereto) (“**FATCA**”), or is required pursuant to any taxing authority of the United States or any political subdivision thereof, in the case of any Registered Debt Instrument that may give rise to US Source Interest (as defined in Condition 8) the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding or deduction. No commission or expenses shall be charged to the Debt Instrument Holders or Couponholders (if any) in respect of such payments. For the avoidance of doubt, the provisions of Condition 8 in relation to the payment of Additional Amounts (as defined in Condition 8) only apply in respect of withholdings or deductions of Taxes (as defined in Condition 8) required by law and imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of Debt Instruments issued by a branch of the Issuer located outside Australia, Taxes (other than, in the case of the United States, imposed by FATCA) imposed or levied by or on behalf of the country in which such branch is located or any political subdivision thereof or any authority therein or thereof having power to tax.

In these Conditions, unless otherwise specified in the relevant Pricing Supplement, “**Payment Business Day**” means any day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation and (in the case of a payment in Euro) on which banks are open for business and carrying out transactions in Euro in the jurisdiction in which the Euro account specified by the payee is located; and
- (ii) a Business Day (as defined in Condition 5.7).

## 7.5 Interpretation of Principal and Interest

Any reference in these Conditions to principal in respect of the Debt Instruments shall be deemed to include, as applicable:

- (a) any Additional Amounts which may be payable with respect to principal under Condition 8;
- (b) the Maturity Redemption Amount of the Debt Instruments;
- (c) the Early Redemption Amount (Call) of the Debt Instruments;
- (d) the Early Redemption Amount (Put) of the Debt Instruments;



- (e) the Early Redemption Amount (Tax) of the Debt Instruments;
- (f) the Early Redemption Amount (Default) of the Debt Instruments;
- (g) in relation to Zero Coupon Debt Instruments, the Amortised Face Amount; and
- (h) any premium and any other amounts which may be payable by the Issuer under or in respect of the Debt Instruments.

Any reference in these Conditions to interest in respect of the Debt Instruments shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 8.

## 8 Taxation

All payments by the Issuer (in respect of principal, redemption amount or interest) in respect of the Debt Instruments or Coupons will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Australia or Victoria or any political subdivision thereof or any authority therein or thereof having power to tax or, in the case of Debt Instruments issued by a branch of the Issuer located outside Australia, Taxes (other than, in the case of the United States, imposed by FATCA) imposed or levied by or on behalf of the country in which such branch is located or any political subdivision thereof or any authority therein or thereof having power to tax, or in the case of Registered Debt Instruments that may give rise to US Source Interest (as defined below), Taxes imposed or levied by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having the power to tax, unless in each case such withholding or deduction of such Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Debt Instrument Holders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Debt Instruments or, as the case may be, Coupons in the absence of such withholding or deduction; except that no Additional Amounts are payable in relation to any payment in respect of any Debt Instrument or Coupon:

- (a) to, or to a third party on behalf of, a Debt Instrument Holder who is liable to such Taxes in respect of such Debt Instrument or Coupon by reason of his having some connection with Australia or Victoria or the country in which such branch is located other than the mere holding of such Debt Instrument or Coupon or receipt of principal or interest in respect thereof or could have lawfully avoided (but has not so avoided) such liability by providing or procuring that any third party provides the Debt Instrument Holder's TFN and/or ABN or evidence that the Debt Instrument Holder is not required to provide a TFN and/or ABN to the Issuer or, in the case of Debt Instruments issued by a branch of the Issuer located outside Australia, satisfies similar requirements or otherwise provides details of the Debt Instrument Holder's name and address to the Issuer;
- (b) to, or to a third party on behalf of, a Debt Instrument Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Debt Instrument is presented for payment;
- (c) where the Debt Instrument or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that a Debt Instrument Holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (d) to, or to a third party on behalf of, a Debt Instrument Holder who is liable to the Taxes in respect of the Debt Instrument or Coupon by reason of the Debt Instrument Holder being an associate of

the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (as amended) ("**Australian Tax Act**");

- (e) where the Debt Instrument or Coupon is presented for payment, where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (f) where the Debt Instrument or Coupon is presented for payment by or on behalf of a Debt Instrument Holder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Debt Instrument or Coupon (as the case may be) to another Paying Agent in a Member State of the European Union;
- (g) where such withholding or deduction is due to Taxes imposed or levied by or on behalf of the United States, or any political subdivision thereof or any authority therein or thereof having power to tax under the United States; or
- (h) in such other circumstances as may be specified in the relevant Pricing Supplement.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the I&P Agent on or before the due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Debt Instrument Holders in accordance with Condition 18.

"**US Source Interest**" means interest (including original issue discount, as defined under US tax principles) paid on Registered Debt Instruments which may be treated as interest paid by a U.S. trade or business for U.S. federal income tax purposes.

## 9 Events of Default

### 9.1 Events of Default - Unsubordinated Debt Instruments

If any of the events of default specified below occur, then by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) in the case of the event of default specified in paragraphs (a), (d), (e), (f), (g) or (h) any holder of Unsubordinated Debt Instruments may declare that all the Unsubordinated Debt Instruments held by that Debt Instrument Holder are immediately due and repayable, or (2) in any case, holders of not less than 25% of the outstanding Unsubordinated Debt Instruments of a Series may declare that all the Unsubordinated Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the Unsubordinated Debt Instruments are:

- (a) **(non-payment)** the Issuer fails to pay any principal or any interest in respect of the Unsubordinated Debt Instruments or the relevant Series or any of them within 14 days of the relevant due date; or
- (b) **(other obligations)** the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Unsubordinated Debt Instruments which default is incapable of remedy or, if capable of remedy, is not remedied within 21 Business Days after notice requiring such default to be remedied shall have been given to the Issuer by the Debt Instrument Holder; or
- (c) **(illegality)** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Unsubordinated Debt Instruments or the Agency Agreement; or
- (d) **(winding-up)** an application (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 Business Days) or an order is made for the winding-up of the Issuer or a resolution is passed for the winding-up of the Issuer other than for the purposes of a solvent reconstruction or amalgamation; or

- (e) **(receiver)** a receiver, receiver and manager, administrator, liquidator, official manager, trustee or similar officer is appointed in respect of all or any part of the assets of the Issuer and such appointment is not terminated within 21 Business Days; or
- (f) **(cessation of business)** the Issuer ceases or threatens to cease to carry on its business or ceases or threatens to cease payment of its debts generally; or
- (g) **(insolvency)** the Issuer is unable to pay its debts when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute); or
- (h) **(arrangement or composition)** the Issuer makes or enters into (i) a readjustment or rescheduling of its indebtedness with creditors generally or (ii) an assignment for the benefit of, or an arrangement or composition with, its creditors generally, in each case, other than for the purposes of a reconstruction, amalgamation, reorganisation or merger where the Issuer is solvent.

Upon any such notice being given to the Issuer, such Unsubordinated Debt Instrument shall immediately become due and payable at its Early Redemption Amount (Default).

## 9.2 Events of Default - Subordinated Debt Instruments

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 9.2 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 9.2 will be set out in the relevant Pricing Supplement.*

If either of the events of default specified below occur, then, subject to Condition 9.3(b), by notice to the Issuer at the specified office of the I&P Agent, effective upon receipt of such notice by the I&P Agent, (1) any holder of Subordinated Debt Instruments may declare that all the Subordinated Debt Instruments held by that Debt Instrument Holder are immediately due and repayable, or (2) holders of not less than 25% of the outstanding Subordinated Debt Instruments of a Series may declare that all the Subordinated Debt Instruments of that Series are immediately due and repayable. The events of default in respect of the Subordinated Debt Instruments are:

- (a) the Issuer fails to pay any amount of principal in respect of the Subordinated Debt Instruments of the relevant Series or any of them within 14 days of the relevant due date or fails to pay any amount of interest in respect of the Subordinated Debt Instruments of the relevant Series or any of them within 30 days of the relevant due date. For the avoidance of doubt, if the condition to payment in Condition 4.2(b) is not satisfied, then the Issuer is not obliged to make payment and, accordingly, no amount is due and the event of default in this paragraph (a) cannot occur; or
- (b) an order is made or an effective resolution is passed for the winding-up of the Issuer.

## 9.3 Subordinated Debt Instruments - Remedies

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, the terms of this Condition 9.3 are subject to the prior written approval of APRA having been obtained before the issue of such Subordinated Debt Instruments. Any amendment to this Condition 9.3 will be set out in the relevant Pricing Supplement.*

- (a) In the event of the occurrence of either of the Events of Default set out above in Condition 9.2 (a) or (b), then in addition to giving notice under Condition 9.2, the holder of any Subordinated Debt Instruments of the relevant Series may, subject to paragraph (b) below, institute proceedings for a winding-up or liquidation of the Issuer or, subject to Condition 4.2(e), for proving or claiming in any winding-up or liquidation of the Issuer; and

- (b) no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than the institution of proceedings for winding-up or liquidation or, subject to Condition 4.2(e), for proving or claiming in any winding-up or liquidation of the Issuer, shall be available to the holders of any Subordinated Debt Instruments for the recovery of amounts owing in respect of the Subordinated Debt Instruments or in respect of any breach by the Issuer of any obligation, condition or provision binding on the Issuer under the terms of the Subordinated Debt Instruments. In particular, no holders of any Subordinated Debt Instruments shall be entitled to exercise any right of set-off or counterclaim which may be available to the Debt Instrument Holder against amounts owing by the Issuer in respect of such Subordinated Debt Instruments (whether prior to, or following, any bankruptcy, liquidation, winding-up or sequestration of the Issuer).

## 10 Prescription

Claims against the Issuer for payment in respect of the Debt Instruments or Coupons (which, for this purpose, shall not include Talons) will be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date.

## 11 Replacement of Debt Instruments, Coupons and Talons

Should any Debt Instrument, Coupon, Talon or Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Paying Agent (in the case of Bearer Debt Instruments, Coupons and Talons) or the Registrar (in the case of Registered Debt Instruments in certified form), subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the I&P Agent may require. Mutilated or defaced Debt Instruments, Coupons or Talons must be surrendered before replacements will be issued.

## 12 Currency Indemnity

The Specified Currency is, unless otherwise specified in the relevant Pricing Supplement the sole currency of account and payment for all sums payable by the Issuer in respect of the Debt Instruments, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or on the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Debt Instrument Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Specified Currency which such Debt Instrument Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Specified Currency expressed to be due to any Debt Instrument Holder in respect of such Debt Instrument the Issuer shall indemnify each such Debt Instrument Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Debt Instrument Holder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Debt Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Debt Instrument Holder and no proof or evidence of any actual loss will be required by the Issuer.

## 13 Further Issues

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, any further issue of Subordinated Debt Instruments of that Series under this Condition 13 is subject to the prior written approval of APRA having been obtained before such further issue.*

The Issuer may from time to time without the consent of the Debt Instrument Holders (or any of them) create and issue further Debt Instruments forming a single Series with any existing Debt Instruments either

having the same terms and conditions as such Debt Instruments in all respects or in all respects except in connection with the Issue Date, Interest Commencement Date and the amount of the first payment of interest (if any) and so that the same shall be consolidated and form a single Series with the outstanding Debt Instruments.

## **14 Agents**

The Agents and their initial specified offices are as set out in the Base Prospectus. The Issuer reserves the right at any time to terminate the appointment of any Agent or to appoint additional or other Agents, provided that it will maintain:

- (a) an I&P Agent;
- (b) for so long as any Debt Instruments are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, maintain a Paying Agent in London and/or such other place as may be required by such listing authority, stock exchange and/or quotation system;
- (c) for so long as any Registered Debt Instruments are listed, a Transfer Agent;
- (d) a Registrar maintaining the Register in such city as is specified in the relevant Pricing Supplement; and
- (e) a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Debt Instrument Holders in accordance with Condition 18.

## **15 Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the I&P Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Debt Instrument to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.

## **16 Modification and waiver**

### **16.1 Meetings of Debt Instrument Holders**

The Agency Agreement contains provisions for convening meetings of the Debt Instrument Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 51% in principal amount of the Debt Instruments for the time being outstanding except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate at least 75% in principal amount of the Debt Instruments for the time being outstanding, or at any adjourned meeting two or more persons present whatever the principal amount of the Debt Instruments held or represented by them, except that at any adjourned meeting, the business of

which includes the modification of certain of these Conditions, the necessary quorum for passing an Extraordinary Resolution will be two or more persons present holding or representing in the aggregate not less than 51% of the principal amount of the Debt Instruments for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Debt Instrument Holders will be binding on all Debt Instrument Holders, whether or not they are present at the meeting, and on all Couponholders.

## 16.2 Modification and Waiver

The Issuer may, without the consent of the Debt Instrument Holders or Couponholders, make any modification of any of these Conditions or any of the provisions of the Agency Agreement which is not materially prejudicial to the interests of the Debt Instrument Holders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.

The Issuer will not make any modification to the conditions of any Subordinated Debt Instrument which impact upon the eligibility of the Subordinated Debt Instrument for inclusion as part of the regulatory capital of the Issuer for the purposes of any prudential standard, prudential regulation or other requirement of APRA which is applicable to the Issuer without the prior written consent of APRA having been obtained.

## 16.3 Notification

Any modification, waiver or authorisation shall be binding on the Debt Instrument Holders and the Couponholders and any modification shall be notified by the Issuer to the Debt Instrument Holders as soon as practicable thereafter in accordance with Condition 18.

## 17 Substitution

*In the case of Subordinated Debt Instruments issued by MGL which are to be included as part of MGL's 'eligible capital' for the purposes of MGL's authority as a non-operating holding company under the Banking Act, MGL may only exercise its rights under this Condition 17 with the prior written approval of APRA.*

### 17.1 Substitution

The Issuer may, without the consent of the relevant Debt Instrument Holders, substitute any of the Issuer's wholly owned Subsidiaries for the Issuer as the principal debtor in respect of all obligations arising from or in connection with the relevant Debt Instruments ("**Relevant Debt Instruments**") ("**Substituted Issuer**"). The Issuer may only do this if:

- (a) the Substituted Issuer assumes all of the obligations of the Issuer under the Relevant Debt Instruments and (if applicable) the Agency Agreement and the Master Deed of Covenant;
- (b) the Issuer unconditionally and irrevocably guarantees the obligations to be assumed by the Substituted Issuer;
- (c) the Substituted Issuer has obtained all necessary authorisations to assume such obligations;
- (d) the Substituted Issuer has, if necessary, appointed an agent for the service of process in New South Wales or England (as the case may be);
- (e) there have been delivered to the I&P Agent opinions of lawyers of recognised standing in:
  - (i) New South Wales and Australia or England (as the case may be); and
  - (ii) the place of incorporation of the Substituted Issuer,

which are collectively to the effect that:

- (iii) the matters referred to in paragraphs (a), (b) and (c) above have been satisfied;

- (iv) the Substituted Issuer is validly existing;
  - (v) the obligations assumed by the Substituted Issuer are valid and binding on it;
  - (vi) the substitution is not in breach of any law or regulation or the constitution of the Substituted Issuer; and
  - (vii) the choice of governing law and submission to jurisdiction are valid; and
- (f) the Relevant Debt Instruments continue to have a credit rating from at least one internationally recognised rating agency at least equal to the relevant rating from that rating agency immediately prior to the substitution.

## **17.2 Notice**

The Substituted Issuer must give notice of any substitution made under this Condition 17 to the relevant Debt Instrument Holders in accordance with Condition 18. The notice must provide the contact details of the Substituted Issuer for the purposes of receiving notices under Condition 18.

## **17.3 Effective Date**

A substitution under this Condition 17 takes effect on and from the date specified in the notice given under Condition 17.2 ("**Effective Date**"), which must be a date not earlier than the date on which the notice is given.

## **17.4 Effect of substitution**

On, and with effect from, the Effective Date:

- (a) the Substituted Issuer shall assume all of the obligations of the Issuer with respect to the Relevant Debt Instruments (whether accrued before or after the Effective Date);
- (b) the Issuer shall be released from all of its obligations as principal debtor under the Relevant Debt Instruments; and
- (c) any reference in the Conditions of the Relevant Debt Instruments to:
  - (i) the Issuer shall from then on be deemed to refer to the Substituted Issuer; and
  - (ii) the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for tax purposes of the Substituted Issuer.

## **17.5 No regard to consequences of substitution**

In connection with any substitution effected pursuant to this Condition 17, neither the Issuer nor any Substituted Issuer need have any regard to the consequences of any such substitution for individual Debt Instrument Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory and no Debt Instrument Holder shall be entitled to claim from the Issuer or any Substituted Issuer under the Debt Instruments any indemnification or payment in respect of any tax or other consequences arising from such substitution.

## **18 Notices**

### **18.1 Bearer Debt Instruments**

All notices regarding Bearer Debt Instruments shall be published in a leading English language daily newspaper of general circulation in the place specified in the relevant Pricing Supplement or, so long as

those Debt Instruments are listed on a stock exchange, shall be published in accordance with the rules of that stock exchange. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers. Couponholders shall be deemed for all purposes to have notice of any notice given to Debt Instrument Holders in accordance with this Condition.

Notices to be given by any Bearer Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Bearer Debt Instrument or Bearer Debt Instruments with the Issuer.

## **18.2 Registered Debt Instruments**

All notices regarding the Registered Debt Instruments will be valid if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to the Registered Debt Instrument Holder (or, in the case of joint Debt Instrument Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.

So long as Registered Debt Instruments are listed on a stock exchange, notices shall also be published in accordance with the rules of that stock exchange. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

Notices to be given by any Registered Debt Instrument Holder shall be in writing and given by lodging the same, together with the relative Registered Debt Instrument or Registered Debt Instruments with the Issuer and (if certificated) with the Registrar.

## **19 Governing law and jurisdiction**

### **19.1 Governing law**

The Agency Agreement is governed by, and shall be construed in accordance with, New South Wales law.

The Debt Instruments and the Coupons are governed by, and shall be construed in accordance with, the law specified in the relevant Pricing Supplement.

### **19.2 Jurisdiction of the courts of New South Wales**

If the relevant Pricing Supplement specifies that the Debt Instruments and Coupons are governed by, and construed in accordance with, New South Wales law, this Condition 19.2 applies.

The courts of New South Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the Debt Instruments ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### **19.3 Jurisdiction of the courts of England**

If the relevant Pricing Supplement specifies that the Debt Instruments and Coupons (and any non-contractual obligations arising out of or in connection therewith) are governed by, and construed in accordance with, English law, this Condition 19.3 applies.

- (a) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with (including any non-contractual obligations arising out of or in connection



therewith) the Debt Instruments and accordingly any legal action or proceedings arising out of or in connection with the Debt Instruments ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each Debt Instrument Holder and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (b) The Issuer irrevocably appoints Macquarie Bank Limited, London Branch whose registered office is currently at Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom. If for any reason the Issuer does not have such a branch in England, it will promptly appoint a process agent to receive service of process in any Proceedings in England based on the Debt Instruments and notify the Debt Instrument Holders of such appointment in accordance with Condition 18 as its agent in England to receive service of process in any Proceedings in England based on the Debt Instruments. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## SCHEDULE B – FORM OF PRICING SUPPLEMENT

PRICING SUPPLEMENT DATED *[insert date]*

MACQUARIE GROUP LIMITED

(ABN 94 122 169 279)

(incorporated with limited liability in the Commonwealth of Australia)

Issue of

*[specify Currency and Principal Amount of Tranche]*

*[specify type of Debt Instruments]* due *[specify Maturity Date]*

*[specify current Programme Limit]*

DEBT INSTRUMENT PROGRAMME

### PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (“**Conditions**”) set forth in the Offering Circular dated [●] [and the supplemental Offering Circular dated *[insert date]*] ([together] “**Offering Circular**”). This document constitutes the Pricing Supplement of a Tranche of *[describe type of Debt Instruments]* described herein (“**Debt Instruments**”) and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Debt Instruments is only available on the basis of the combination of the Pricing Supplement and the Offering Circular. [The Offering Circular [and the supplemental Offering Circular] [is] [are] available for viewing at *[address]* [and] *[website]* and copies may be obtained from *[address]*.]]

*[[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering document with an earlier date]*

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (“**Conditions**”) set forth in the *[Offering Circular]* dated *[original date]* (“**[previous Offering Circular]**”) [and the supplemental *[Offering Circular]* dated *[insert date]*] ([together] “**Offering Circular**”) This document constitutes the Pricing Supplement for the *[describe type of Debt Instruments]* described herein (“**Debt Instruments**”) and must be read in conjunction with the Offering Circular [and the supplemental Offering Circular] dated *[insert date]* [and *[insert date]*] save in respect of the Conditions which are extracted from the *[previous Offering Circular]* and are attached hereto. [The Offering Circular [and the supplemental Offering Circular] [is] [are] available for viewing at *[address]* [and] *[website]* and copies may be obtained from *[address]*.]]

*[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

1. Issuer (branch): Macquarie Group Limited
2. Fungible with existing Series: *[Specify date or state “Not Applicable”]*

(If fungible with an existing Series, details of that Series, including the date on which the Debt Instruments

become fungible)

3. Specified Currency [or Currencies]: *[Specify currency or currencies (Condition 1.6)]*<sup>1</sup>
4. Aggregate Nominal Amount [of Debt Instruments admitted to trading]: *[Specify]*
5. Issue Price: *[Specify percentage]* per cent. of the Aggregate Nominal Amount [plus accrued interest from *[specify date]* (if applicable)]
- [Specify whether “fully paid” or “partly paid”]*
6. Specified Denominations: *[Specify currency and amount (Condition 1.5).]*
- [N.B. Where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Debt Instruments in definitive form will be issued with a denomination above [€199,000].”*
- [N.B. If an issue of Debt Instruments is (i) NOT admitted to trading on an European Economic Area (“EEA”) exchange; and (ii) only offered in the EEA in circumstances where a prospectus is not required to be published under the Prospectus Directive the [€100,000] minimum denomination is not required.]*
- [Debt Instruments (including Debt Instruments denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom, or whose issue otherwise constitutes a contravention of Section 19 FSMA, and which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other Specified Currencies).]*
- [If the Debt Instruments are admitted to trading on a regulated market in the EEA or are offered to the public in a Relevant EEA State, then the equivalent denomination for Debt Instruments denominated in an EEA currency other than euro must be calculated in*

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<sup>1</sup> In respect of Debt Instruments denominated in Renminbi, purchasers of the Debt Instruments should note that the Renminbi is not a freely convertible currency. All payments in respect of the Debt Instruments will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in banknotes or by transfer to a bank account in the PRC or anywhere else outside Hong Kong). In addition, there can be no assurance that access to Renminbi funds for the purposes of making payments on the Debt Instruments or generally may remain or may not become restricted.

*accordance with the requirements (if any) in the Relevant EEA State.]*

7. [(i)] Issue Date: *[Specify date]*  
[(ii)] Interest Commencement Date: *[Specify date]*
8. Maturity Date: *[Specify date (see Condition 6.1)]*
9. Interest Basis: *[[Specify percentage]% Fixed Rate]  
[[Specify reference rate] +/- [specify percentage]%  
Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)*  
  
Default Interest: *[In the case of interest-bearing Debt Instruments,  
specify any default interest rate (Condition 5.5(d)) or  
state "Not Applicable"]*
10. Redemption Basis: *[Redemption at par]  
[Index Linked Redemption]  
[Partly Paid]  
[Other (specify)]*
11. Change of Interest or Redemption /  
Payment Basis: *[Specify details of any provision for convertibility of Debt  
Instruments into another interest or redemption/  
payment basis.]*  
  
*[Specify any change to Condition 5.5(d) in relation to  
accrual of interest.]*
12. Put / Call Options: *[Applicable (further particulars specified below) / Not  
Applicable]*
13. (i) Status of the Debt Instruments: *[Unsubordinated / Subordinated] [N.B. If nothing is  
specified, Debt Instruments will be unsubordinated. If  
subordinated, specify provisions of such subordination  
(Condition 4.1)]*  
  
(ii) Date [board] approval for issuance  
of Debt Instruments obtained: *[Specify date]*
14. Method of distribution: *[Syndicated / Non-syndicated]*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Debt Instrument  
Provisions:** *[Applicable / Not Applicable] [See Condition 5.2. If not  
applicable, delete the remaining sub-paragraphs of this  
paragraph]*  
  
(i) Interest Rate(s): *[Specify percentage] per cent. per annum [payable*

		[annually / semi-annually / quarterly / monthly] in arrear]
(ii)	Interest Payment Date(s):	[Specify dates] in each year [adjusted in accordance with [specify Business Day Convention]]
(iii)	Fixed Coupon Amount:	[Specify amount] per [specify amount] in Nominal Amount
(iv)	Broken Amount:	Initial Broken Amount: [specify currency and amount] Final Broken Amount: [specify currency and amount]
(v)	Day Count Fraction:	[Specify] [N.B. If none is specified, the Day Count Fraction will be 30E/360 (as defined in Condition 5.3(c)(v))] <sup>+</sup>
(vi)	Determination Dates:	[Specify dates in each year (i.e. insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon). N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA).]
(vii)	Other terms relating to the method of calculating interest for fixed rate Debt Instruments	[Not Applicable / specify]
16.	<b>Floating Rate Debt Instrument Provisions:</b>	[Applicable / Not Applicable] [See Condition 5.3. If not applicable, delete the remaining sub-paragraphs of this paragraph.]
(i)	Interest Periods:	[Specify date or dates]
(ii)	Interest Payment Date(s):	[Specify date or dates]
(iii)	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / specify other and specify whether [(adjusted)/(no adjustment)]]  [Specify unless no adjustment is required in which case "no adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Debt Instruments with any underlying swap transactions. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No adjustment" in relation to the maturity date of the Debt Instruments to disapply the

*applicable Business Day Convention]*<sup>++</sup>

- (iv) Relevant Financial Centre: *[Specify] [N.B. If none is specified, the city most closely connected with the Reference Rate to be used in the determination of the Calculation Agent]*
- (v) Manner in which the Interest Rate(s) are to be determined: *[ISDA Determination / Screen Rate Determination / other (specify)]*
- (vi) Party responsible for calculating the Interest Rate(s) and Interest Amount(s): Calculation Agent: *[insert name and address of specified office]*
- (vii) ISDA Determination: *[Applicable / Not Applicable] [If Condition 5.3(b)(i) applies:*  
  - [Floating Rate Option:] [Specify]*
  - [Designated Maturity:] [Specify]*
  - [Reset Date:] [Specify]*
- (viii) Screen Rate Determination: *[Applicable / Not Applicable] [If Condition 5.3(b)(ii) applies:*  
  - [Reference Rate:] [Specify] [For example: LIBOR, EURIBOR or BBSW.]*
  - [Interest Determination Date(s):] [Specify] [For example, second London business day prior to the start of each Interest Period of LIBOR other than sterling or euro LIBOR, first day of each Interest Period of sterling LIBOR and the second day on which the TARGET 2 System is open prior to the start of each Interest Period of EURIBOR or euro LIBOR.]*
  - [Relevant Screen Page:] [Specify] [In the case of EURIBOR, if not Reuters Page EURIBOR1, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]*
  - [Relevant Time:] [Specify] [If none are specified, the Reference Banks will be four major banks specified by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate.]*
  - [Reference Banks:] [Specify]*

<sup>+</sup> “Actual/365 (Fixed)” shall be specified for “Day Count Fraction” in respect of Debt Instruments denominated in Renminbi.

<sup>++</sup> “Modified Following” shall be specified for “Business Day Convention” in respect of Debt Instruments denominated in Renminbi.

- [Principal Financial Centre:] [Specify] [State whether Condition 5.3(b)(i) or 5.3(b)(ii) applies]
- (ix) Margin: [Specify] [State whether positive or negative]
- (x) Minimum Interest Rate: [Specify]
- (xi) Maximum Interest Rate: [Specify]
- (xii) Day Count Fraction: [Specify]
- (xiii) Fallback Interest Rate: [Specify]
- (xiv) Representative Amount: [Specify] [N.B. If none is specified, an amount which is representative for a single transaction in the relevant market or the relevant time]
17. **Zero Coupon Debt Instrument Provisions:** [Applicable / Not Applicable]
- (i) [Amortisation/Accrual] Yield: [Not Applicable / [specify percentage] per cent. per annum] [See Condition 5.6]
- (ii) Reference Price: [Not Applicable / specify price]
- (iii) Any other formula/basis of determining amount payable: [Specify] [Consider whether it is necessary to specify a Day Count Fraction for the purposes of the calculation of Early Redemption Amounts]
18. **Index-Linked Debt Instrument / other variable-linked Debt Instrument Provisions:** [Specify if Condition 5.4 applies for other rates]  
[Applicable / Not Applicable]: [N.B. If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Index / formula / other variable: [Specify or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [Specify]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or formula and/or other variable: [Specify] [Include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Determination Dates(s): [Specify dates in each year (i.e. insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)]
- (v) Provisions for determining Coupon where calculated by reference to Index and/or formula and/or other variable is impossible or impracticable or otherwise disrupted: [Include a description of market disruption or settlement disruption events and adjustment provisions]

- (vi) Party responsible for calculating the Interest Rate(s) and Interest Amount(s): Calculation Agent: *[insert name and address of specified office]*
- (vii) Interest or calculation period(s): *[Specify date or dates]*
- (viii) Business Day Convention: *[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]*
- (ix) Relevant Financial Centre(s): *[Specify] [If none is specified, the city most closely connected with the Reference Rate to be used in the determination of the Calculation Agent]*
- (x) Minimum Rate / Amount of Interest: *[Specify]*
- (xi) Maximum Rate / Amount of Interest: *[Specify]*
- (xii) Day Count Fraction: *[Specify]*
19. **Dual Currency Debt Instrument Provisions:** *[Applicable / Not Applicable] [If “applicable”, give details]*
20. **Equity-Linked Debt Instrument Provisions:** *[Specify if Condition 5.4 applies for other rates] [Applicable / Not Applicable]: [if not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Whether the Debt Instruments relate to a basket of equity securities or a single equity security (each an **Underlying Equity**) and the identity of the relevant issuer(s) of the Underlying Equity/Equities (each an **Equity Issuer**): *[Underlying Equity: [Specify or annex details]]*  
*[Equity Issuer: [Specify]]*  
*[ISIN/Common Code: [Specify]]*
- (ii) Whether redemption of the Debt Instruments will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: *[Specify]*
- (iii) Relevant provisions for determining the Final Redemption Amount: *[Specify]*
- (iv) Valuation Dates(s): *[Specify dates in each year (i.e. insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)]*
- (v) Valuation Time: *[Specify]*



- (vi) Disrupted Day: [Specify]
- (vii) Multiplier for each Underlying Equity comprising the basket ([which is subject to adjustment]): [Specify]
- (viii) Trade Date: [Specify]
- (ix) Relevant Assets: [Specify]
- (x) Asset Amount: [Specify]
- (xi) Cut-Off Date: [Specify]
- (xii) Delivery provisions for Asset Amount (including details of who is to make such delivery): [Specify]
- (xiii) Potential Adjustment Events: [Specify]
- (xiv) Additional Disruption Events: [Specify] *[N.B. May include merger, nationalisation, insolvency, tender events]*
- (xv) Exchange(s): [Specify] *[Include any related exchange(s)]*
- (xvi) Exchange rate: [Specify]
- (xvii) Other terms or special conditions: [Specify]

## PROVISIONS RELATING TO REDEMPTION

21. **Redemption at Issuer's option (Call):** [Specify if Condition 6.2 is "Applicable" or "Not applicable"]
- [Specify any relevant conditions to exercise of option]
- [In the case of Subordinated Debt Instruments, specify if any regulatory consents and approvals are required for early redemption]
- (i) Option Redemption Date(s): [Specify whether interest-bearing Debt Instruments may be redeemed on a date which is not an Interest Payment Date]
  - (ii) Option Redemption Amount(s) of each Debt Instrument and method, if any, of calculation of such amount: [Specify whether the Early Redemption Amount (Call) is the principal amount of the Debt Instruments together with accrued interest (if any) thereon or insert amount or full calculation provisions.]
- [N.B. Consideration should also be given to whether the calculation of the Early Redemption Amount (Call) is to be based upon a make-whole amount which would be

*calculated in accordance with a formula that will need to be detailed on a case by case basis for each Series as specified in the Pricing Supplement, having regard to the present value on the Early Redemption Date (Call) of the principal amount of the Debt Instruments and scheduled or anticipated interest on the Debt Instruments up to and including the original Maturity Date. The present value would be calculated by reference to a discount and benchmark rate, details of which to be attached as an annex to the Pricing Supplement.]*

- (iii) If redeemable in part: *[Specify whether redemption at Issuer's option is permitted in respect of some only of the Debt Instruments and, if so, any minimum aggregate principal amount and, in the case of Debt Instruments in definitive form the means by which Debt Instruments will be selected for redemption]*
- (a) Minimum Redemption Amount:
- (b) Maximum Redemption Amount:

- (iv) Notice period: *[Specify minimum and/or maximum notice periods for the exercise of the call option]*

22. **Redemption at Debt Instrument Holder's option (Put):** *[Specify if Condition 6.3 is "Applicable" or "Not applicable"]*

*[Specify any relevant conditions to exercise of option]*

- (i) Option Redemption Date(s): *[Specify whether interest-bearing Debt Instruments may be redeemed on a date which is not an Interest Payment Date]*
- (ii) Option Redemption Amount(s) of each Debt Instrument and method, if any, of calculation of such amount: *[Specify whether the Early Redemption Amount (Put) is the outstanding principal amount of the Debt Instruments together with accrued interest (if any) thereon or insert amount or full calculation provisions]*
- (iii) Notice period: *[Specify minimum notice period for the exercise of the put option, if not 45 days]*

23. **Final Redemption Amount of each Debt Instrument:** *[Not Applicable / Maturity Redemption Amount: [specify the outstanding principal amount of the Debt Instruments or insert amount or full calculation provisions]]*

*[Specify any change to Condition 6.9 (regarding redemption of Zero Coupon Debt Instruments)]*

24. **Redemption at Issuer's option for loss of deductibility (Condition 6.5) / regulatory reasons (Condition 6.6):** *[Specify if either or both of Conditions 6.5 or 6.6 are "Applicable" or "Not applicable"]*

*[Specify any relevant conditions to exercise of option]*

*In the case of Subordinated Debt Instruments, specify if any regulatory consents and approvals are required for*

*early redemption]*

- (i) Option Redemption Date(s): *[Specify whether interest-bearing Debt Instruments may be redeemed on a date which is not an Interest Payment Date]*
- (ii) Option Redemption Amount(s) of each Debt Instrument and method, if any, of calculation of such amount: *[If Condition 6.4 is specified as Applicable, the Early Redemption Amount (Tax) for the purposes of that Condition should be set out in paragraph 25 below). In other circumstances specify any changes to the early redemption amount as set out in Condition 6.5 or 6.6 as the case may be) (ie, specify that the early redemption amount is the principal amount of the Debt Instruments together with accrued interest (if any) thereon or insert amount or full calculation provisions)]*
- (iii) If redeemable in part: *[Not Applicable]*
- (iv) Notice period: *[Minimum: 30 days / specify other minimum notice period for the exercise of the option.]*
- [Maximum" 60 days / specify maximum notice period for the exercise of the option.]*

## 25. Early Redemption Amount

- (i) Early Redemption Amount (Tax): *[Specify whether the Early Redemption Amount (Tax) is the outstanding principal amount together with accrued interest (if any) thereon of the Debt Instruments or insert amount or full calculation provisions.]*
- [In the case of Subordinated Debt Instruments, specify if any regulatory consents and approvals are required for early redemption of Subordinated Debt Instruments.]*
- (ii) Early Redemption Amount (Default): *[Specify whether the Early Redemption Amount (Default) is the outstanding principal amount together with accrued interest (if any) thereon of the Debt Instruments or insert amount or full calculation provisions]*

## GENERAL PROVISIONS APPLICABLE TO THE DEBT INSTRUMENTS

### 26. Form of Debt Instrument:

- (i) Form: *[[Bearer / Registered] [See Condition 1.1]]*
- [Registered Debt Instruments: specify any change to Condition 1.4]*
- [[If the term of the Debt Instruments is 365 days or more:*
- [Bearer (Condition 1.1).*

Temporary Global Debt Instrument exchangeable for a Permanent Global Debt Instrument upon certification as to non-US beneficial ownership no earlier than 40 days after the completion of distribution of the Debt Instruments as determined by the Issuing and Paying Agent, which is exchangeable for Definitive Debt Instruments in certain limited circumstances.]]

*[Or, if the term of the Debt Instrument is 364 days or less:*

*[Bearer (Condition 1.1)*

*On issue the Debt Instruments will be represented by a Debt Instrument in permanent global form, exchangeable for Debt Instruments in definitive form in certain limited circumstances.]]]*

*[N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination includes language substantially to the following effect: “€100,000] and integral multiples of [€1,000] in excess thereof up to and including €199,000”.]*

(ii) Type:

*[Fixed Rate Debt Instrument / Floating Rate Debt Instrument / Indexed Interest Debt Instrument / Indexed Redemption Amount Debt Instrument / Zero Coupon Debt Instrument / Partly Paid Debt Instrument]*

*[N.B. Debt Instruments may be a combination of the above. See Condition 1.2.]*

- |     |   |   |
|-----|---|---|
| 27. | Additional Business Centre:   | <i>[Specify any other or Additional Business Centres (Condition 5.7) or specify “Not Applicable”]</i>   |
| 28. | Talons for future Coupons or Receipts to be attached to Definitive Debt Instruments (and dates on which such Talons mature):  | <p><i>[Yes / No] [If yes, give details]</i></p> <p><i>[Missing or unmatured Coupons, Receipts etc: specify any change to Condition 7.1.4 re missing or unmatured Coupons or unexchanged Talons or specify “Not Applicable”]</i></p> |
| 29. | Details relating to Partly Paid Debt Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Debt Instruments and interest due on late payment: | <i>[Not Applicable / specify interest calculation (Condition 5.5(e))]</i>   |
| 30. | Details relating to Instalment Debt Instruments: amount of each   | <i>[Not Applicable / specify number, amounts and dates for payment of Instalment Amounts in respect of Debt</i>   |

instalment, date on which each *Instruments*  
payment is to be made:

31. Redenomination, renominatisation and reconventioning provisions: [Not Applicable / Applicable] *[If redenomination or exchangeability into Euro applies, specify any redenomination/exchange provisions in full]*
32. Consolidation provisions: [Not Applicable]
33. Other terms: [Not Applicable / *give details and specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included.*]
- (i) Payments in Australian Dollars: [Not Applicable / *specify whether address for payments or location of account must be outside Australia (Conditions 7.2.3 and 7.4(a))*]
- (ii) Exceptions to Condition 8: [Not Applicable / *see Condition 8(e)*]
- (iii) Other currency of account: [Not Applicable / *specify any change to Condition 12*]
- (iv) Governing law: [English law / The laws of New South Wales]
- (v) Place for notices: [*Specify*] [*See Conditions 18.1 and 18.2*]

## DISTRIBUTION

34. (i) If syndicated, names of relevant Dealers: [Not Applicable / *specify names and addresses of specified offices*]
- [The following purchasers of this tranche of Debt Instruments are not Dealers named in the Base Prospectus:
- [specify Dealers not named]*]
- (ii) Date of [Subscription] Agreement: [*Specify*]
- (iii) Stabilising manager(s): [Not applicable / *specify name(s) and address(es) of specified office(s).*]
- [N.B. Stabilisation is not permitted in Australia and should be stated to be "Not Applicable" for domestic issues in Australia.]*
35. If non-syndicated, name of relevant Dealer: [*Insert name and address of specified office*]
36. Total commission and concession: [*Where an exempt offer only of Debt Instruments is anticipated:*
- [Specify percentage]* per cent of the Aggregate

Nominal Amount [of Debt Instruments admitted to trading]]

37. Additional selling restrictions:

[Not Applicable / *specify details*]

[TEFRA D Rules - *only required for bearer Debt Instruments and if not TEFRA D Rules specify otherwise*]

*[N.B. TEFRA D rules should apply to issues of Debt Instruments unless it is agreed by the Issuer at the time of completion of the Pricing Supplement that TEFRA C rules should apply or that TEFRA D rules should not be applied to a particular issue of Debt Instruments]*

*[[Where the term of the Debt Instrument is 364 days or less:*

[Not Applicable]

*[Or, where the term of the Debt Instrument is 365 days or more:*

[TEFRA D Rules (or, in respect of TEFRA D or TEFRA C, any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)]]

38. Non-exempt Offer:

[Not Applicable / Applicable - see Paragraph 13 of Part B below]

## PURPOSE OF THE PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and] [admission to trading on *[specify relevant market]*] of the Debt Instruments described herein pursuant to the U.S.\$*[specify current Programme Limit]* Debt Instrument Programme of Macquarie Group Limited.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. *[[Describe relevant third party information]* has been extracted from *[specify source]*.] [Macquarie Group Limited confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

## CONFIRMED

## MACQUARIE GROUP LIMITED

By:

[Authorised Person]

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Application has been made for the Debt Instruments to be listed on *[specify]* / None]
- (ii) Admission to trading: [[Application has been made for the Debt Instruments to be admitted to trading on *[specify]* with effect from *[insert date]* / Not Applicable]
- [Where documenting a fungible issue need to indicate that original securities are already admitted to trading.]*
- (iii) Estimate of total expenses related to admission to trading: *[Specify]*

### 2. RATINGS

- Ratings: *[[Where the Debt Instruments have not been rated:*
- [The Debt Instruments to be issued have not been rated by any rating agency. However, the Debt Instruments are issued pursuant to Macquarie Group Limited's U.S.\$*[specify current Programme Limit]* Debt Instrument Programme which is rated by rating agencies as follows:
- Standard & Poor's: *[specify]*
- Moody's Investors Service: *[specify]*
- Fitch Ratings: *[specify]*
- [or, where the Debt Instruments have been rated:]*
- [The Debt Instruments to be issued have been rated by the following ratings agency(ies):
- [Standard & Poor's: *[specify]*
- [Moody's Investors Service: *[specify]*
- [[Other (specify): [specify]]]*

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE / OFFER]**

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

Save as discussed in ["Subscription and Sale" on pages 122 to 131 of the Base Prospectus dated 21 June 2013] [and on pages [●] to [●] of the supplement to the Offering Circular dated [●]], so far as the Issuer is aware, no person involved in the offer of the Debt Instruments has an interest material to the offer.

4. **TOTAL EXPENSES**

Total Expenses [Specify]

*[If not included through section 4 above, include a statement as to the total expenses related to the admission to trading here]*

5. **[Fixed Rate Debt Instruments only] YIELD**

Indication of yield: [Specify]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **[Index-Linked, Equity-Linked or other variable-linked Debt Instruments only] [PERFORMANCE OF INDEX / BASKET OF INDICES / FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*[Include details of where past and future performance and volatility of the [index/basket of indices] / formula / other variable can be obtained. Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and circumstances when the risks are most evident. Where the underlying is a security, need to include the name of the issuer of the security and the ISIN (International Security Identification Number) or CMU instrument number or other such security identification code). Where the underlying is an [index/basket of indices], need to include the name of the [index/indices] and a description of the [index/indices] if composed by the Issuer. If the [index/indices] is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained. Where the underlying is an interest rate, a description of the interest rate. Where the underlying is a basket of indices, need to include disclosure of the relative weightings of each index in the basket. Where the underlying does not fall within the categories specified above, need to include equivalent information.]]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] / [does not intend to provide post-issuance information.]



7. *[Dual Currency Debt Instruments only]* **[PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]**

*[Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained. Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained. The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] / [does not intend to provide post-issuance information.]*

8. *[Equity Linked Debt Instruments only]* **[PERFORMANCE OF UNDERLYING EQUITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

[All disclosures contained in this Pricing Supplement regarding the [Underlying Equity] and/or the [Equity Issuer] are derived from publicly available documents or other specified publicly available sources. The Issuer has not participated in the preparation of such documents nor made any due diligence inquiry with respect to the information provided therein.

Investors in the Debt Instruments are urged to conduct their own investigation into the [Underlying Equity]. Furthermore, there can be no assurance that all events occurring prior to the date of these Pricing Supplement (including events that would affect the accuracy or completeness of such publicly available documents) that would affect the prices of the [Underlying Equity] (and therefore the trading price of the Debt Instruments) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning the Underlying Equity could affect the trading price and redemption value of the Debt Instruments.

(i) Description of [Equity Issuer]

[Insert]  
[Source: [●]]

(ii) Historical Information

[Insert]  
[Source: [●]]

(iii) Further Information

[Insert]

9. *[Equity Linked Debt Instruments only]* **[INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]**

*[Insert / Not Applicable]*

10. **OPERATIONAL INFORMATION**

ISIN Code: [Specify]

Common Code: [Not Applicable / specify]

CUSIP:	[Not Applicable / <i>specify</i> ]
CMU instrument number	[Not Applicable / <i>specify</i> ]
Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme or the CMU Service and the relevant identification number(s):	[Not Applicable / <i>specify the Austraclear system or another clearing system if applicable</i> ]
Delivery:	Delivery [against / free of] payment
Issuing and Paying Agent:	[Deutsche Bank AG, London Branch] [ <i>address of specified office</i> ]
[Additional Paying Agent(s) (if any):]	[ <i>Name and address of specified office</i> ]
CMU Lodging Agent	[Not Applicable / [Deutsche Bank AG, Hong Kong Branch]] [ <i>address of specified office</i> ]
Registrar:	[ <i>Name and address of specified office</i> ]
Transfer Agent:	[ <i>Name and address of specified office</i> ]
Common Depositary:	[Not Applicable / [ <i>specify</i> ]]
Programme Documents:	[ <i>Specify any additional documents not referred to in the definition of "Programme Documents" in the Agency Agreement</i> ]
Place of delivery of Definitive Debt Instruments:	[ <i>See Clause 4.5(a)(iv) of the Agency Agreement</i> ]

## 11. PUBLIC OFFER TEST

The Debt Instruments [are / are not] intended to be issued in a manner which satisfies the requirements of Section 128F of the Income Tax Assessment Act 1936 of Australia.

### ISSUER

#### **Macquarie Group Limited**

No. 1 Martin Place  
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### DEALERS

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**ING Bank NV**  
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Facsimile: +44 31 20 563 8502  
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**National Australia Bank Limited**  
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Head of Debt Securities

## **ISSUE AND PRINCIPAL PAYING AGENT**

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Facsimile: +852 2203 7320/7323  
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## **AUSTRALIAN AND ENGLISH LEGAL ADVISERS**

**To the Issuer**

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## **AUDITORS**

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